**Chapter 01 Testbank**

*Student: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

1. Scholars have been studying behaviour in organisations at least since the time of Greek and Chinese philosophers.   
True    False

2. In order for something to be called an organisation it must have buildings and equipment.    
True    False

3. All organisations have a collective sense of purpose, even though this purpose might not be fully understood or agreed upon.    
True    False

4. Collective entities are called organisations only when their members have complete agreement on the goals they want to achieve.    
True    False

5. Evidence indicates that applying organisational behaviour knowledge tends to improve the organisation's financial performance.    
True    False

6. Globalisation may have both positive and negative implications for people working in organisations.    
True    False

7. Reduced job security and increased work intensification in Australia are partly caused by globalisation.    
True    False

8. Education is a primary category of surface-level diversity.    
True    False

9. Australian employees are more diverse today than a few decades ago on many deep-level categories but have actually reduced their diversity on most surface categories.    
True    False

10. Research indicates that baby boomers and Generation-X employees bring the same values and expectations to the workplace.    
True    False

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

12. Surveys indicate that most Australian employees do not experience conflicting work-life balance.    
True    False

13. Generation X and Generation Y expectations are causing employers to reduce hierarchy and command-and-control management.    
True    False

14. Teleworking is more successful when employers evaluate employee performance based on 'face time' rather than work output.    
True    False

15. Successful teleworkers tend to be self-motivated, organised and able to fulfil their social needs outside of the work context.    
True    False

16. Virtual teams rely on information technology to keep team members connected to each other.    
True    False

17. A team's 'virtualness' depends on how often and how many team members interact face-to-face.    
True    False

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

19. Values have a strong influence on our priorities, our preferences and our desires.    
True    False

20. Globalisation has brought increased benefits to individuals and organisations as well as increasing the complexity of the workplace.   
True    False

21. '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

22. 'Stakeholders' are shareholders, customers, suppliers, governments and any other groups with a vested interest in the organisation.    
True    False

23. The 'triple bottom line' philosophy says that successful organisations focus on financial performance three times more often than do less successful organisations.    
True    False

24. Fads, consulting models and pet beliefs are often embraced by corporate leaders without any evidence of their success.    
True    False

25. Conceptual anchors that are based on a set of basic beliefs or knowledge structures represent only one small aspect of knowledge from which organisational behaviour knowledge is developed and refined.    
True    False

26. Psychology and sociology have contributed many theories and concepts to the field of organisational behaviour.    
True    False

27. Communications and information systems are two emerging fields from which organisational behaviour is now acquiring knowledge.    
True    False

28. The field of organisational behaviour relies on quantitative-never qualitative-research to understand organisational phenomena.    
True    False

29. The contingency anchor in organisational behaviour suggests that we need to diagnose the situation to identify the most appropriate action under those specific circumstances.    
True    False

30. Most organisational events may be studied from all three levels of analysis-individual, team and organisation.    
True    False

31. The best organisational practices are those built on the notion that organisations are closed systems.    
True    False

32. The open systems perspective emphasises that organisations survive by adapting to changes in the external environment.    
True    False

33. Organisations have a dynamic capability when they are able to change the outputs and transformational processes that produce those outputs.    
True    False

34. According to the open systems perspective, most organisations have one working part rather than many subcomponents.    
True    False

35. As organisations grow, they tend to develop more subsystems, and relationships among them become more complex, requiring well-tuned coordination.    
True    False

36. Knowledge management develops an organisation's capacity to acquire, share and use knowledge in ways that improve its survival and success.    
True    False

37. 'Intellectual capital' includes, among other things, the knowledge embedded in an organisation's systems and structures.    
True    False

38. 'Intellectual capital' represents the stock of knowledge held by an organisation.    
True    False

39. One of the knowledge acquisition strategies is to hire individuals or purchase entire companies that have the valued knowledge.    
True    False

40. 'Organisational memory' includes knowledge embedded in the organisation's systems and structures.    
True    False

41. Successful organisations never 'unlearn' knowledge that they have previously gained.    
True    False

42.

Which of these statements about the field of organisational behaviour is FALSE?

A.

Organisational behaviour scholars study individual, team and structural characteristics that influence behaviour within organisations

B.

Leadership, communication and other organisational behaviour topics were not discussed by scholars until the 1940s

C.

Organisational behaviour emerged as a distinct field around the 1940s

D.

The field of organisational behaviour has adopted concepts and theories from other fields of inquiry

43. Which of these statements about the field of organisational behaviour is TRUE?   
A. Organisational behaviour emerged as a distinct field during the 1980s  
B. The origins of some organisational behaviour concepts date back to Greek and Chinese philosophers  
C. Information technology has almost no effect on organisational behaviour  
D. The field of organisational behaviour relies exclusively on ideas generated within the field by organisational behaviour scholars

44. In the field of organisational behaviour, organisations 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

45. Organisational behaviour 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 behaviours of others in organisational settings

46. According to the authors of *Organisational Behaviour,* organisational behaviour knowledge:   
A. Should never be used to influence the behaviour of other people  
B. Should be used mostly by managers and senior executives  
C. Should never replace your common-sense knowledge about how organisations work  
D. Is relevant to everyone who works in organisations

47. Workforce diversity:   
A. Includes the entry of younger people into the workforce  
B. Can potentially improve decision making and team performance in organisations  
C. Includes the increasing proportion of women in the workforce  
D. All of the options listed here are correct

48. Which of the following is a surface-level category of diversity?   
A. Physical qualities  
B. Gender  
C. Ethnicity  
D. All of the options listed here are correct

49. Personalities, beliefs, values and attitudes are:   
A. Deep-level categories of workforce diversity  
B. Surface-level categories of workforce diversity  
C. Necessary contingencies in all organisational behaviour theories  
D. Never discussed in organisational behaviour

50. Which of the following statements is TRUE?   
A. Australia is becoming a more homogeneous society  
B. Deep-level diversity is evident in a person's decisions, statements and actions  
C. Most Australians believe that the government should disband multiculturalism  
D. Diversity offers tremendous advantages to organisations with almost no disadvantages

51. Which of the following statements about Australia's population and workforce is FALSE?   
A. More than half of immigrants to Australia over the past decade were born in Europe  
B. The participation of women in the workforce has increased over the past few decades  
C. Generation X employees bring somewhat different needs and expectations to the workplace than their baby-boomer counterparts  
D. Australia is becoming a more multicultural society

52. Which of the following statements is FALSE?   
A. Employment relationships are shifting towards the idea that companies must provide employees with a high degree of job security, possibly even a job for life  
B. Generation X employees bring somewhat different values and needs to the workplace than do baby boomers  
C. The workforce is becoming more diverse  
D. Successful firms increasingly rely on values rather than direct supervision to guide employee decisions and behaviour

53. Virtual work:   
A. Is more common in Australia than in New Zealand  
B. Occurs when job applicants are asked to pretend they are performing the job in the interview setting in order to determine their ability to perform that work  
C. Tends to improve an employee's social involvement in the organisation  
D. Is supported by information technology

54. What effect can teleworking have in the workplace?   
A. Teleworking can improve the teleworker's work-life balance  
B. Teleworking forces corporate leaders to evaluate employees more for their work results rather than their 'face time'  
C. Teleworking increases the risk that employees feel socially isolated from each other  
D. All of the options listed here are correct

55. 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. Rarely studied in the field of organisational behaviour  
D. Called 'values'

56. Values have become more important in organisational behaviour because of:   
A. Increased globalisation  
B. Increased pressure on organisations to engage in ethical practices  
C. The fact that direct supervision is expensive and incompatible with today's workforce  
D. All of the options listed here are correct

57. Corporate social responsibility is most closely related to which of the following organisational behaviour trends?   
A. Workforce diversity  
B. Virtual work  
C. Globalisation  
D. Workplace values and ethics

58. 'Stakeholders' include:   
A. Shareholders  
B. Suppliers  
C. Governments  
D. All of the options listed here are correct

59. Employees, suppliers and governments:   
A. Are organisational stakeholders  
B. Are rarely considered in organisational behaviour theories  
C. Represent the three levels of analysis in organisational behaviour  
D. Are excluded from the open systems anchor

60. The triple bottom line philosophy says that:   
A. Companies should pay three times more 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. Companies should pay attention to local, national and global customers  
D. Companies should try to support the economic, social and environmental spheres of sustainability

61. Which of the following concepts is/are closely associated with corporate social responsibility?   
A. Knowledge management  
B. Triple bottom line  
C.

Stakeholders

D. Triple bottom line and stakeholders

62. Which of these statements about corporate social responsibility (CSR) is FALSE?   
A. All Australian companies now publicly report on their CSR practices  
B. CSR emphasises the economic, social and environmental spheres of sustainability  
C. Many Australians expect companies to engage in CSR  
D. CSR is closely related to the topics of values and ethics

63. Which of the following is NOT a conceptual anchor in organisational behaviour?   
A. Contingency anchor  
B. Systematic research anchor  
C. Economic anchor  
D. Multidisciplinary anchor

64. Which of the following does NOT represent a belief that anchors organisational behaviour?   
A. OB should view organisations as closed systems  
B. OB should assume that the effectiveness of an action usually depends on the situation  
C. OB should draw on knowledge from other disciplines  
D. OB should rely on the systematic research methods to generate knowledge

65. Which of the following statements about the field of organisational behaviour is FALSE?   
A. OB is the study of what people think, feel and do in and around organisations  
B. OB is a self-contained discipline, independent of other disciplines  
C. OB theories are usually tested using the scientific method  
D. Many OB theories are contingency-oriented

66. Which of these statements is consistent with the four anchors of organisational behaviour?   
A. Organisational behaviour theories must apply universally to every situation  
B. Organisations are like machines that operate independently of their external environment  
C. Each organisational behaviour topic relates to only one level of analysis  
D. The field of organisational behaviour should rely on other disciplines for some of its theory development

67. Which discipline has provided organisational behaviour with much of its theoretical foundation for team dynamics, organisational power and organisational socialisation?   
A. Sociology  
B. Psychology  
C. Economics  
D. Industrial engineering

68. Which of the following is identified as an emerging field from which organisational behaviour is acquiring new knowledge?   
A. Industrial engineering  
B. Information systems  
C. Anthropology  
D. Economics

69. To collect and analyse information systematically, organisational behaviour researchers rely on:   
A. The scientific method  
B. Closed systems theory  
C. Grounded theory  
D. The scientific method and grounded theory.

70. Organisational behaviour scholars use which of the following to discover knowledge?   
A. They use form research questions  
B. They systematically collect data  
C. They test hypotheses  
D. All of the options listed here are correct

71. The contingency anchor of organisational behaviour states that:   
A. We should have a second organisational behaviour theory to explain the situation in case our first choice does not work  
B. Organisational behaviour theories must view organisations as systems that need to adapt to their environments  
C. There is usually one best way to resolve organisational problems  
D. A particular action may have different consequences in different situations

72. According to the multiple levels of analysis anchor:   
A. Organisational behaviour is mainly the study of how all levels of the organisational hierarchy interact with the external environment  
B. Organisational behaviour topics typically relate to the individual, team and organisational levels of analysis  
C. There are eight levels of analysis that scholars should recognise when conducting organisational behaviour research  
D. Organisational events can be studied from only one level of analysis

73. Which organisational behaviour anchor discusses development of the field from other areas of human research?   
A. Contingency anchor  
B. Multi levels of analysis anchor  
C. Multidisciplinary anchor  
D. Systematic research anchor

74. Organisational behaviour views organisations as:   
A. Non-systems  
B. A single unitary subsystem  
C. Open systems  
D. Closed systems

75. The open systems perspective on organisational behaviour states that:   
A. Organisations affect and are affected by their external environments  
B. Organisations can operate efficiently by ignoring changes in the external environment  
C. People are the only important organisational input  
D. Organisations basically have only one working part

76. Which of the following is included in the systems model of organisations?   
A. Inputs  
B. Subsystems  
C. Outputs  
D. All of the options listed here are correct

77. Which of the following relates to the perspective that organisations are open systems?   
A. The organisation adjusts its services to satisfy changing consumer demand  
B. Production and sales employees coordinate their work activities to provide a more efficient work process  
C. The organisation changes its products to suit customer needs  
D. All of the options listed here are correct

78. 'Intellectual capital' refers to:   
A. How much money an organisation spends on training and development  
B. The stock of knowledge including human capital, structure capital and relationship capital  
C. The percentage of information available that is actually used productively by the organisation  
D. The total cost of computers and other 'intelligent' machines in the organisation

79. 'Intellectual capital' consists of:   
A. Knowledge that employees possess and generate  
B. The knowledge captured in an organisation's systems and structures  
C. The value that customers provide to the organisation  
D. All of the options listed here are correct

80. 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

81. Companies 'manage' knowledge by:   
A. Extracting information and ideas from the external environment and through experimentation  
B. Ensuring that knowledge is shared throughout the organisation  
C. Ensuring that employees effectively use the knowledge available to them  
D. All of the options listed here are correct

82. Which of the following is a form of knowledge acquisition?   
A. Hiring new employees  
B. Research, development and experimentation  
C. Information sessions where employees describe to colleagues unique incidents involving customers  
D. All of the answers are correct

83. Which of the following is an example of knowledge acquisition?   
A. Surveying employees about their attitudes towards recent corporate changes  
B. Developing a training program for employees to learn the latest goals of the leader  
C. Encouraging employees to share their knowledge with co-workers  
D. Hiring people who bring valuable knowledge that is not available from current employees

84. An organisation's 'absorptive capacity' refers to:   
A. Its ability to hire more people without moving to new offices  
B. Its level of current knowledge that makes it possible for it to bring in new knowledge from the environment  
C. Its ethical standards in the local community  
D. Its diversity along the primary dimension

85. A technology company wants to move into the field of wireless communications. Unfortunately, few of its employees know enough about the basic technology to acquire emerging knowledge about that field or to launch a separate business unit to enter that market. With respect to learning about wireless technology knowledge, this organisation has:   
A. Too much virtual work  
B. High intellectual capital  
C. High human capital but low relationship capital  
D. Low absorptive capacity

86. 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 organisation is mainly a form of:   
A. Knowledge acquisition  
B. Communities of practice  
C. Organisational unlearning  
D. Knowledge sharing

87. Twice each year, a major car parts manufacturer brings together production and engineering specialists from its eight divisions to discuss ideas, solutions and concerns. This helps to minimise the 'silos of knowledge' problem that exists in many organisations. This practice is primarily an example of:   
A. Relationship capital  
B. Experimentation  
C. Knowledge sharing  
D. Documentation

88. 'Organisational memory' is BEST DESCRIBED as:   
A. The total terabytes of hard disk space available on computers throughout an organisation  
B. The ability of senior executives to recall important information about the company's products, services and employees  
C. The storage and preservation of intellectual capital within an organisation  
D. The ability of employees throughout the organisation to recall important information about the company's products and services

89. Organisations retain intellectual capital by:   
A. Transferring human capital into structural capital  
B. Encouraging employees to take early retirement  
C. Discouraging employees from communicating with each other  
D. All of the options listed here are correct

90. Which of the following typically results in a loss of organisational memory?   
A. The processes used to make a unique product are incorrectly documented  
B. The company lays off nearly one-quarter of its workforce  
C. The company sells one of its divisions (including employees in that division) to another organisation  
D. All of the options listed here are correct

91. Organisations should 'unlearn':   
A. In many situations involving organisational change  
B. Whenever new knowledge is brought into the organisation  
C. Whenever the organisation shifts from communities of practice to experimentation in the knowledge acquisition process  
D. All of the options listed here are correct

92.

Virtual work has been identified as an important trend in organisational behaviour. Discuss three organisational behaviour topics that are influenced by virtual work.

93.

Many organisations are placing increasing importance on values in the workplace. Discuss two reasons why workplace values have become more important in recent years. Your answer should briefly define values.

94.

Two organisational behaviour students are debating the idea that many OB theories are contingency-oriented. One student believes that every OB theory should be contingency-oriented. The other student disagrees, saying that most theories should try to be universal. Evaluate both positions and provide your opinion on this issue.

95.

Marketing specialists at Napanee Beer Co. developed a new advertising campaign for summer sales. The ads were particularly aimed at sports events where Napanee 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 Napanee 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 Napanee 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 Napanee Beer Co.

96.

Senior officers in a national military organisation decided that operations in supplies requisition were inefficient and costly. They brought in consultants who recommended that the entire requisition process be 're-engineered'. This involved throwing out the old practices and developing an entirely new set of work activities around workflow. However, contrary to expectations, this intervention resulted in lower productivity, higher employee turnover and other adverse outcomes. Discuss likely problems with the intervention in terms of systems theory.

97.

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 minimising 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 on organisational behaviour.

98.

Comment on the accuracy of the following statement: 'Without employees, an organisation has no organisational memory.'

99.

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 organisational memory in this situation? Explain your answer.

100.

WindTunnel Ltd, a manufacturer of commercial vacuum cleaner systems, has heard about new computer-based technologies that help vacuum cleaner systems to work more efficiently and provide additional features to users. So far, only one British vacuum cleaner company has apparently moved to integrate this technology into its products, but more firms will soon follow. Senior executives at WindTunnel are also aware of a small engineering firm that has applied similar computer technology to military suction-like products. No one at WindTunnel has much experience or knowledge with this computer technology, yet the company needs such expertise quickly. Explain which knowledge acquisition strategy would best help WindTunnel to gain the necessary intellectual capital.

101.

Comment on the accuracy of the following statement: 'An important objective in knowledge management is to ensure that intellectual capital is stored and preserved.'

102.

Comment on your agreement or disagreement with the following statement: ‘Hiring and keeping talented employees is the most important task for managers.’

103.

Explain the three propositions on which high-performance work practices (HPWP) are based.

104.

Teams with diverse employees usually take longer to perform effectively. If this is so, explain why and the reasons for still using them.

105.

Which of the following is NOT included in the four perspectives of organisational effectiveness?

A.

OPEN systems

B.

Organisational opportunities

C.

High-performance work practices

D.

Stakeholders

106.

The concept of high-performance work practices (HPWP) is similar to organizational learning, except for the fact that:

A.

HPWP perspective tries to figure out specific ways to generate the most value from human capital

B.

HPWP perspective retains the organisation’s memory and motivates employees to remain with the company

C.

HPWP perspective focuses on organization–environment fit

D.

Both answers B and C are correct

107.

How do high-performance work practices (HPWP) improve an organisation’s effectiveness?

A.

By motivating employees to unlearn routine and patterns of behaviour

B.

By operating in close systems independent of an external environment

C.

By strengthening employee motivation and developing positive attitudes towards the employer

D.

By supporting economic, social and environmental spheres of sustainability

108.

What are the three elements of the triple-bottom line approach?

A.

Economic, social, environment

B.

Financial, economic, social

C.

Economic, ethics, environment

D.

Financial, ethics, social

109.

Why is organisational behaviour (OB) an important field of study?

Chapter 01 Testbank Key

1. Scholars have been studying behaviour in organisations at least since the time of Greek and Chinese philosophers.   
**TRUE**

*AACSB: Multicultural  
Difficulty: Medium  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

2. In order for something to be called an organisation it must have buildings and equipment.    
**FALSE**

*Difficulty: Easy  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

3. All organisations have a collective sense of purpose, even though this purpose might not be fully understood or agreed upon.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

4. Collective entities are called organisations only when their members have complete agreement on the goals they want to achieve.    
**FALSE**

*Difficulty: Medium  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

5. Evidence indicates that applying organisational behaviour knowledge tends to improve the organisation's financial performance.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

6. Globalisation may have both positive and negative implications for people working in organisations.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

7. Reduced job security and increased work intensification in Australia are partly caused by globalisation.    
**TRUE**

*Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

8. Education is a primary category of surface-level diversity.    
**FALSE**

*AACSB: Multicultural/diversity  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

9. Australian employees are more diverse today than a few decades ago on many deep-level categories but have actually reduced their diversity on most surface categories.    
**FALSE**

*AACSB: Multicultural/diversity  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

10. Research indicates that baby boomers and Generation-X employees bring the same values and expectations to the workplace.    
**FALSE**

*Difficulty: Easy  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

11. Workforce diversity potentially improves decision making and team performance on complex tasks.    
**TRUE**

*AACSB: Multicultural/diversity  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

12. Surveys indicate that most Australian employees do not experience conflicting work-life balance.    
**FALSE**

*Difficulty: Easy  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

13. Generation X and Generation Y expectations are causing employers to reduce hierarchy and command-and-control management.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

14. Teleworking is more successful when employers evaluate employee performance based on 'face time' rather than work output.    
**FALSE**

*AACSB: Technology  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

15. Successful teleworkers tend to be self-motivated, organised and able to fulfil their social needs outside of the work context.    
**TRUE**

*AACSB: Technology  
Difficulty: Easy  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

16. Virtual teams rely on information technology to keep team members connected to each other.    
**TRUE**

*AACSB: Technology  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

17. A team's 'virtualness' depends on how often and how many team members interact face-to-face.    
**FALSE**

*AACSB: Technology  
Difficulty: Hard  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

18. 'Values' represent an individual's short-term beliefs about what will happen in the future.    
**FALSE**

*AACSB: Ethics  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

19. Values have a strong influence on our priorities, our preferences and our desires.    
**TRUE**

*AACSB: Ethics  
Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

20. Globalisation has brought increased benefits to individuals and organisations as well as increasing the complexity of the workplace.   
**TRUE**

*AACSB: Ethics  
AACSB: Multicultural/diversity  
Difficulty: Easy  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

21. '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**

*AACSB: Ethics  
Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

22. 'Stakeholders' are shareholders, customers, suppliers, governments and any other groups with a vested interest in the organisation.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

23. The 'triple bottom line' philosophy says that successful organisations focus on financial performance three times more often than do less successful organisations.    
**FALSE**

*AACSB: Ethics  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

24. Fads, consulting models and pet beliefs are often embraced by corporate leaders without any evidence of their success.    
**TRUE**

*AACSB: Analytic  
Difficulty: Easy  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

25. Conceptual anchors that are based on a set of basic beliefs or knowledge structures represent only one small aspect of knowledge from which organisational behaviour knowledge is developed and refined.    
**FALSE**

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

26. Psychology and sociology have contributed many theories and concepts to the field of organisational behaviour.    
**TRUE**

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

27. Communications and information systems are two emerging fields from which organisational behaviour is now acquiring knowledge.    
**TRUE**

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

28. The field of organisational behaviour relies on quantitative-never qualitative-research to understand organisational phenomena.    
**FALSE**

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

29. The contingency anchor in organisational behaviour suggests that we need to diagnose the situation to identify the most appropriate action under those specific circumstances.    
**TRUE**

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

30. Most organisational events may be studied from all three levels of analysis-individual, team and organisation.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

31. The best organisational practices are those built on the notion that organisations are closed systems.    
**FALSE**

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

32. The open systems perspective emphasises that organisations survive by adapting to changes in the external environment.    
**TRUE**

*Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

33. Organisations have a dynamic capability when they are able to change the outputs and transformational processes that produce those outputs.    
**TRUE**

*Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

34. According to the open systems perspective, most organisations have one working part rather than many subcomponents.    
**FALSE**

*Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

35. As organisations grow, they tend to develop more subsystems, and relationships among them become more complex, requiring well-tuned coordination.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

36. Knowledge management develops an organisation's capacity to acquire, share and use knowledge in ways that improve its survival and success.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

37. 'Intellectual capital' includes, among other things, the knowledge embedded in an organisation's systems and structures.    
**TRUE**

*Difficulty: Hard  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

38. 'Intellectual capital' represents the stock of knowledge held by an organisation.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

39. One of the knowledge acquisition strategies is to hire individuals or purchase entire companies that have the valued knowledge.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

40. 'Organisational memory' includes knowledge embedded in the organisation's systems and structures.    
**TRUE**

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

41. Successful organisations never 'unlearn' knowledge that they have previously gained.    
**FALSE**

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

42.

Which of these statements about the field of organisational behaviour is FALSE?

A.

Organisational behaviour scholars study individual, team and structural characteristics that influence behaviour within organisations

**B.**

Leadership, communication and other organisational behaviour topics were not discussed by scholars until the 1940s

C.

Organisational behaviour emerged as a distinct field around the 1940s

D.

The field of organisational behaviour has adopted concepts and theories from other fields of inquiry

*Difficulty: Easy  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

43. Which of these statements about the field of organisational behaviour is TRUE?   
A. Organisational behaviour emerged as a distinct field during the 1980s  
**B.** The origins of some organisational behaviour concepts date back to Greek and Chinese philosophers  
C. Information technology has almost no effect on organisational behaviour  
D. The field of organisational behaviour relies exclusively on ideas generated within the field by organisational behaviour scholars

*Difficulty: Medium  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

44. In the field of organisational behaviour, organisations 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

*Difficulty: Easy  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

45. Organisational behaviour 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 behaviours of others in organisational settings

*Difficulty: Easy  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

46. According to the authors of *Organisational Behaviour,* organisational behaviour knowledge:   
A. Should never be used to influence the behaviour of other people  
B. Should be used mostly by managers and senior executives  
C. Should never replace your common-sense knowledge about how organisations work  
**D.** Is relevant to everyone who works in organisations

*Difficulty: Medium  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

47. Workforce diversity:   
A. Includes the entry of younger people into the workforce  
B. Can potentially improve decision making and team performance in organisations  
C. Includes the increasing proportion of women in the workforce  
**D.** All of the options listed here are correct

*AACSB: Multicultural/diversity  
Difficulty: Easy  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

48. Which of the following is a surface-level category of diversity?   
A. Physical qualities  
B. Gender  
C. Ethnicity  
**D.** All of the options listed here are correct

*AACSB: Multicultural/diversity  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

49. Personalities, beliefs, values and attitudes are:   
**A.** Deep-level categories of workforce diversity  
B. Surface-level categories of workforce diversity  
C. Necessary contingencies in all organisational behaviour theories  
D. Never discussed in organisational behaviour

*AACSB: Multicultural/diversity  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

50. Which of the following statements is TRUE?   
A. Australia is becoming a more homogeneous society  
**B.** Deep-level diversity is evident in a person's decisions, statements and actions  
C. Most Australians believe that the government should disband multiculturalism  
D. Diversity offers tremendous advantages to organisations with almost no disadvantages

*AACSB: Multicultural/diversity  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

51. Which of the following statements about Australia's population and workforce is FALSE?   
**A.** More than half of immigrants to Australia over the past decade were born in Europe  
B. The participation of women in the workforce has increased over the past few decades  
C. Generation X employees bring somewhat different needs and expectations to the workplace than their baby-boomer counterparts  
D. Australia is becoming a more multicultural society

*AACSB: Multicultural/diversity  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

52. Which of the following statements is FALSE?   
**A.** Employment relationships are shifting towards the idea that companies must provide employees with a high degree of job security, possibly even a job for life  
B. Generation X employees bring somewhat different values and needs to the workplace than do baby boomers  
C. The workforce is becoming more diverse  
D. Successful firms increasingly rely on values rather than direct supervision to guide employee decisions and behaviour

*AACSB: Multicultural/diversity  
Difficulty: Easy  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

53. Virtual work:   
A. Is more common in Australia than in New Zealand  
B. Occurs when job applicants are asked to pretend they are performing the job in the interview setting in order to determine their ability to perform that work  
C. Tends to improve an employee's social involvement in the organisation  
**D.** Is supported by information technology

*AACSB: Technology  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

54. What effect can teleworking have in the workplace?   
A. Teleworking can improve the teleworker's work-life balance  
B. Teleworking forces corporate leaders to evaluate employees more for their work results rather than their 'face time'  
C. Teleworking increases the risk that employees feel socially isolated from each other  
**D.** All of the options listed here are correct

*AACSB: Technology  
Difficulty: Easy  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

55. 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. Rarely studied in the field of organisational behaviour  
**D.** Called 'values'

*AACSB: Ethics  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

56. Values have become more important in organisational behaviour because of:   
A. Increased globalisation  
B. Increased pressure on organisations to engage in ethical practices  
C. The fact that direct supervision is expensive and incompatible with today's workforce  
**D.** All of the options listed here are correct

*AACSB: Ethics  
Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

57. Corporate social responsibility is most closely related to which of the following organisational behaviour trends?   
A. Workforce diversity  
B. Virtual work  
C. Globalisation  
**D.** Workplace values and ethics

*AACSB: Ethics  
Difficulty: Hard  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

58. 'Stakeholders' include:   
A. Shareholders  
B. Suppliers  
C. Governments  
**D.** All of the options listed here are correct

*AACSB: Ethics  
Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

59. Employees, suppliers and governments:   
**A.** Are organisational stakeholders  
B. Are rarely considered in organisational behaviour theories  
C. Represent the three levels of analysis in organisational behaviour  
D. Are excluded from the open systems anchor

*AACSB: Ethics  
Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

60. The triple bottom line philosophy says that:   
A. Companies should pay three times more 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. Companies should pay attention to local, national and global customers  
**D.** Companies should try to support the economic, social and environmental spheres of sustainability

*AACSB: Ethics  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

61. Which of the following concepts is/are closely associated with corporate social responsibility?   
A. Knowledge management  
B. Triple bottom line  
C.

Stakeholders

**D.** Triple bottom line and stakeholders

*AACSB: Ethics  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

62. Which of these statements about corporate social responsibility (CSR) is FALSE?   
**A.** All Australian companies now publicly report on their CSR practices  
B. CSR emphasises the economic, social and environmental spheres of sustainability  
C. Many Australians expect companies to engage in CSR  
D. CSR is closely related to the topics of values and ethics

*AACSB: Ethics  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

63. Which of the following is NOT a conceptual anchor in organisational behaviour?   
A. Contingency anchor  
B. Systematic research anchor  
**C.** Economic anchor  
D. Multidisciplinary anchor

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

64. Which of the following does NOT represent a belief that anchors organisational behaviour?   
**A.** OB should view organisations as closed systems  
B. OB should assume that the effectiveness of an action usually depends on the situation  
C. OB should draw on knowledge from other disciplines  
D. OB should rely on the systematic research methods to generate knowledge

*Difficulty: Easy  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

65. Which of the following statements about the field of organisational behaviour is FALSE?   
A. OB is the study of what people think, feel and do in and around organisations  
**B.** OB is a self-contained discipline, independent of other disciplines  
C. OB theories are usually tested using the scientific method  
D. Many OB theories are contingency-oriented

*Difficulty: Difficult  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

66. Which of these statements is consistent with the four anchors of organisational behaviour?   
A. Organisational behaviour theories must apply universally to every situation  
B. Organisations are like machines that operate independently of their external environment  
C. Each organisational behaviour topic relates to only one level of analysis  
**D.** The field of organisational behaviour should rely on other disciplines for some of its theory development

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

67. Which discipline has provided organisational behaviour with much of its theoretical foundation for team dynamics, organisational power and organisational socialisation?   
**A.** Sociology  
B. Psychology  
C. Economics  
D. Industrial engineering

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

68. Which of the following is identified as an emerging field from which organisational behaviour is acquiring new knowledge?   
A. Industrial engineering  
**B.** Information systems  
C. Anthropology  
D. Economics

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

69. To collect and analyse information systematically, organisational behaviour researchers rely on:   
**A.** The scientific method  
B. Closed systems theory  
C. Grounded theory  
D. The scientific method and grounded theory.

*Difficulty: Hard  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

70. Organisational behaviour scholars use which of the following to discover knowledge?   
A. They use form research questions  
B. They systematically collect data  
C. They test hypotheses  
**D.** All of the options listed here are correct

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

71. The contingency anchor of organisational behaviour states that:   
A. We should have a second organisational behaviour theory to explain the situation in case our first choice does not work  
B. Organisational behaviour theories must view organisations as systems that need to adapt to their environments  
C. There is usually one best way to resolve organisational problems  
**D.** A particular action may have different consequences in different situations

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

72. According to the multiple levels of analysis anchor:   
A. Organisational behaviour is mainly the study of how all levels of the organisational hierarchy interact with the external environment  
**B.** Organisational behaviour topics typically relate to the individual, team and organisational levels of analysis  
C. There are eight levels of analysis that scholars should recognise when conducting organisational behaviour research  
D. Organisational events can be studied from only one level of analysis

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

73. Which organisational behaviour anchor discusses development of the field from other areas of human research?   
A. Contingency anchor  
B. Multi levels of analysis anchor  
**C.** Multidisciplinary anchor  
D. Systematic research anchor

*Difficulty: Medium  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

74. Organisational behaviour views organisations as:   
A. Non-systems  
B. A single unitary subsystem  
**C.** Open systems  
D. Closed systems

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

75. The open systems perspective on organisational behaviour states that:   
**A.** Organisations affect and are affected by their external environments  
B. Organisations can operate efficiently by ignoring changes in the external environment  
C. People are the only important organisational input  
D. Organisations basically have only one working part

*Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

76. Which of the following is included in the systems model of organisations?   
A. Inputs  
B. Subsystems  
C. Outputs  
**D.** All of the options listed here are correct

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

77. Which of the following relates to the perspective that organisations are open systems?   
A. The organisation adjusts its services to satisfy changing consumer demand  
B. Production and sales employees coordinate their work activities to provide a more efficient work process  
C. The organisation changes its products to suit customer needs  
**D.** All of the options listed here are correct

*Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

78. 'Intellectual capital' refers to:   
A. How much money an organisation spends on training and development  
**B.** The stock of knowledge including human capital, structure capital and relationship capital  
C. The percentage of information available that is actually used productively by the organisation  
D. The total cost of computers and other 'intelligent' machines in the organisation

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

79. 'Intellectual capital' consists of:   
A. Knowledge that employees possess and generate  
B. The knowledge captured in an organisation's systems and structures  
C. The value that customers provide to the organisation  
**D.** All of the options listed here are correct

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

80. 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

*Difficulty: Hard  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

81. Companies 'manage' knowledge by:   
A. Extracting information and ideas from the external environment and through experimentation  
B. Ensuring that knowledge is shared throughout the organisation  
C. Ensuring that employees effectively use the knowledge available to them  
**D.** All of the options listed here are correct

*Difficulty: Hard  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

82. Which of the following is a form of knowledge acquisition?   
A. Hiring new employees  
B. Research, development and experimentation  
C. Information sessions where employees describe to colleagues unique incidents involving customers  
**D.** All of the answers are correct

*Difficulty: Hard  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

83. Which of the following is an example of knowledge acquisition?   
A. Surveying employees about their attitudes towards recent corporate changes  
B. Developing a training program for employees to learn the latest goals of the leader  
C. Encouraging employees to share their knowledge with co-workers  
**D.** Hiring people who bring valuable knowledge that is not available from current employees

*Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

84. An organisation's 'absorptive capacity' refers to:   
A. Its ability to hire more people without moving to new offices  
**B.** Its level of current knowledge that makes it possible for it to bring in new knowledge from the environment  
C. Its ethical standards in the local community  
D. Its diversity along the primary dimension

*Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

85. A technology company wants to move into the field of wireless communications. Unfortunately, few of its employees know enough about the basic technology to acquire emerging knowledge about that field or to launch a separate business unit to enter that market. With respect to learning about wireless technology knowledge, this organisation has:   
A. Too much virtual work  
B. High intellectual capital  
C. High human capital but low relationship capital  
**D.** Low absorptive capacity

*Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

86. 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 organisation is mainly a form of:   
**A.** Knowledge acquisition  
B. Communities of practice  
C. Organisational unlearning  
D. Knowledge sharing

*Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

87. Twice each year, a major car parts manufacturer brings together production and engineering specialists from its eight divisions to discuss ideas, solutions and concerns. This helps to minimise the 'silos of knowledge' problem that exists in many organisations. This practice is primarily an example of:   
A. Relationship capital  
B. Experimentation  
**C.** Knowledge sharing  
D. Documentation

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

88. 'Organisational memory' is BEST DESCRIBED as:   
A. The total terabytes of hard disk space available on computers throughout an organisation  
B. The ability of senior executives to recall important information about the company's products, services and employees  
**C.** The storage and preservation of intellectual capital within an organisation  
D. The ability of employees throughout the organisation to recall important information about the company's products and services

*Difficulty: Hard  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

89. Organisations retain intellectual capital by:   
**A.** Transferring human capital into structural capital  
B. Encouraging employees to take early retirement  
C. Discouraging employees from communicating with each other  
D. All of the options listed here are correct

*Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

90. Which of the following typically results in a loss of organisational memory?   
A. The processes used to make a unique product are incorrectly documented  
B. The company lays off nearly one-quarter of its workforce  
C. The company sells one of its divisions (including employees in that division) to another organisation  
**D.** All of the options listed here are correct

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

91. Organisations should 'unlearn':   
**A.** In many situations involving organisational change  
B. Whenever new knowledge is brought into the organisation  
C. Whenever the organisation shifts from communities of practice to experimentation in the knowledge acquisition process  
D. All of the options listed here are correct

*Difficulty: Easy  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

92.

Virtual work has been identified as an important trend in organisational behaviour. Discuss three organisational behaviour topics that are influenced by virtual work.

(Note: Students may identify the relevance of various organisational behaviour topics through creative and logical thinking.) Chapter 1 briefly identifies the following topics:  
 Stress management—Virtual work (particularly telework) tends to offer better work–life balance.  
 Performance—Virtual work seems to improve job performance in many situations.  
 Self-leadership—Virtual workers need to manage themselves rather than rely on supervisors for continuous guidance.  
 Organisational influence and politics—Virtual workers have to adjust to the lack of networking, and learn to overcome the limitations of limited face time in demonstrating their value.

*AACSB: Communication  
Difficulty: Easy  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

93.

Many organisations are placing increasing importance on values in the workplace. Discuss two reasons why workplace values have become more important in recent years. Your answer should briefly define values.

Values are defined as stable, long-lasting beliefs about what is important in a variety of situations. They are evaluative standards that help us to define what is right or wrong, or good or bad, in the world.  
 The textbook offers three reasons for the increased interest in workplace values. Students need to describe any two of these. Some students might also identify other reasons through logical argument. These logical arguments should receive consideration when grading this answer.  
 Increasing globalisation—As organisations expand across cultures, differences in values become more pronounced. This leads to both personal and organisational challenges. At the individual level, employees may find that their personal values conflict with organisational and cross-cultural values. At the organisational level, leaders are looking for ways to integrate (or, at least, coordinate) people with diverse personal and cultural value systems.  
 Replacing direct supervision—The old 'command-and-control' system of direct supervision is expensive and incompatible with today's more independently minded workforce. Organisational values represent a subtle, yet potentially effective, alternative.  
 Increasing pressure for ethical organisations—Many societies are putting more pressure on organisations to engage in ethical practices. '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'.

*AACSB: Ethics  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

94.

Two organisational behaviour students are debating the idea that many OB theories are contingency-oriented. One student believes that every OB theory should be contingency-oriented. The other student disagrees, saying that most theories should try to be universal. Evaluate both positions and provide your opinion on this issue.

Both students have taken extreme views of the contingency anchor. Both are partly correct and partly incorrect. The first student is saying that every OB theory should abide by the contingency anchor. This means that the theory should incorporate factors that help us to determine the best action in a particular situation. The benefit of the contingency anchor is that it provides a more accurate understanding of organisational events and allows us to influence those events more precisely.  
 The problem, however, is that the contingency anchor can make some theories very complex with relatively little advantage over universal theories. In this respect, the second student is partly correct. We should try to see whether OB theories can be universal rather than contingency-oriented. This is consistent with the view that all theories should be parsimonious. If the theory does a good job of explaining without contingency factors, then it is best left as a universal theory. The difficulty is that most OB events are sufficiently complex that contingencies are required for the theories to effectively explain those events.

When answering this question, students should state their preference in terms of the degree of universality or contingency orientation. Some might argue that theories are already too complex for practical use, whereas others might say that we need more contingencies to gain more precision in understanding organisational behaviour.

*AACSB: Analytic  
AACSB: Reflective thinking  
Difficulty: Hard  
Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based.*

95.

Marketing specialists at Napanee Beer Co. developed a new advertising campaign for summer sales. The ads were particularly aimed at sports events where Napanee 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 Napanee 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 Napanee 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 Napanee Beer Co.

This incident mainly relates to the open systems idea that organisations consist of many interdependent parts. In larger organisations, subsystem interdependence is so complex that an event in one department may ripple through the organisation and affect other subsystems. In this case, the marketing group's advertising campaign had unintended implications for the production group. Marketing'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.  
 One view is that marketing employees did not notify the production group about its plans. This may be a valid argument in this incident. However, we must keep in mind that employees engage in many activities that have repercussions for others that we would never expect. Moreover, it is possible that production employees could not predict all of the implications of marketing's campaign even if the production group was notified in advance.

*AACSB: Reflective thinking  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

96.

Senior officers in a national military organisation decided that operations in supplies requisition were inefficient and costly. They brought in consultants who recommended that the entire requisition process be 're-engineered'. This involved throwing out the old practices and developing an entirely new set of work activities around workflow. However, contrary to expectations, 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, re-engineering the supplies requisition process may have disrupted other parts of the organisation, 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 organisation have minimal adverse effects on other parts of the organisation.  
 The second possible (but less likely) problem is in terms of inputs, transformation, outputs and feedback. The re-engineering process may have thrown out a functioning transformation process. Possibly the change resulted in less feedback from the environment regarding how well the organisation is interacting with the environment. Perhaps the change resulted in a disruption of inputs or side effects in the outputs.

*AACSB: Analytic  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

97.

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 minimising 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 on organisational behaviour.

The production simulation teaches teams that organisations 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 recognise the repercussions of subsystem actions on other parts of the organisation.

*AACSB: Reflective thinking  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

98.

Comment on the accuracy of the following statement: 'Without employees, an organisation has no organisational memory.'

This statement is generally FALSE. An organisation's memory may be embedded in systems and structures, not just the brain cells of employees. Certainly, a considerable amount of memory would be lost if the employees suddenly disappeared, but some knowledge remains through structural capital. For example, knowledge is embedded in the company's physical layout, its documentation, the design of its products and so forth.  
 Of course, it is necessary to have employees transform their human capital into structural capital. But once it is embedded in structural capital, some knowledge exists without employees.

*AACSB: Communication  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

99.

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 organisational memory in this situation? Explain your answer.

'Organisational memory' refers to the storage and preservation of intellectual capital; in other words, the knowledge that the organisation possesses. The courier company has lost some organisational memory, but probably not a great deal. The amount of organisational memory lost may be fairly small in this situation. 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 organisation. Similarly, the tasks are fairly routine, suggesting that most knowledge is established within the task routines and thereby documented in procedure manuals.  
 However, some organisational memory loss has occurred because every employee possesses some unique knowledge that is of value to the organisation. 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 organisation.

*AACSB: Analytic  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

100.

WindTunnel Ltd, a manufacturer of commercial vacuum cleaner systems, has heard about new computer-based technologies that help vacuum cleaner systems to work more efficiently and provide additional features to users. So far, only one British vacuum cleaner company has apparently moved to integrate this technology into its products, but more firms will soon follow. Senior executives at WindTunnel are also aware of a small engineering firm that has applied similar computer technology to military suction-like products. No one at WindTunnel has much experience or knowledge with this computer technology, yet the company needs such expertise quickly. Explain which knowledge acquisition strategy would best help WindTunnel to gain the necessary intellectual capital.

Students should begin by defining knowledge acquisition as the organisation's ability to extract information and ideas from its environment as well as through insight. The scenario described in this question strongly suggests that WindTunnel needs to apply the knowledge acquisition practice of hiring individuals or acquiring companies. In this situation, WindTunnel should consider either merging with the small engineering firm, creating a joint venture with it, or luring some of its engineers to work at WindTunnel.  
 Hiring individuals or acquiring companies is most appropriate in this case for a few reasons. First, no one at WindTunnel has the required knowledge and the knowledge does not seem to be something that can be acquired quickly through individual learning or experimentation. Moreover, WindTunnel needs the knowledge quickly to remain competitive, because one competitor has already begun to integrate the new technology. These activities provide quick knowledge acquisition compared to the other strategies.

*AACSB: Analytic  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

101.

Comment on the accuracy of the following statement: 'An important objective in knowledge management is to ensure that intellectual capital is stored and preserved.'

This statement is mostly, but not completely, TRUE. In support of this statement, students should indicate that an organisation's knowledge—its intellectual capital—is the main source of competitive advantage for most companies. One part of this process is knowledge management (acquiring, sharing and using knowledge); the other is maintaining an organisational memory. Organisational memory involves storing and preserving knowledge. For example, effective organisations ensure that knowledgeable employees do not leave. They also document knowledge for future use. Without organisational memory, organisations could not compete in the external environment.  
 Students should also indicate the circumstances where this statement is false. Specifically, students should state that successful companies also unlearn knowledge that is no longer useful or appropriate. In fact, organisational unlearning—expelling some intellectual capital—is necessary so that organisational change may occur more effectively. This means that companies should cast off the routines and patterns of behaviour that are no longer appropriate.

*AACSB: Reflective thinking  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

102.

Comment on your agreement or disagreement with the following statement: ‘Hiring and keeping talented employees is the most important task for managers.’

(1) Task performance, organisational citizenship, and the lack of counterproductive work behaviours are obviously important, but if qualified people don't join and stay with the organisation, none of these performance-related behaviours would occur. (2) Attracting and retaining talented people is becoming particularly important as worries about skills shortages heat up. As skill shortages increase, attracting and retaining talent will logically become a critical factor in an organisation's success. (3) Much of an organisation's intellectual capital is the knowledge employees carry around in their heads. Long-service staff members, in particular, have valuable information about work processes, corporate values and customer needs. Very little of this is documented anywhere. Thus, knowledge management involves keeping valuable employees with the organisation.

*AACSB: Reflective thinking  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

103.

Explain the three propositions on which high-performance work practices (HPWP) are based.

The HPWP is based on three propositions:  
 1. Employees are an important source of competitive advantage.  
 2. The value of this human capital can be increased through the presence of specific organisational practices.  
 3. Most HPWP experts state that these organisational practices must be bundled together to maximise their potential. This suggests a synergistic effect.

*AACSB: Reflective thinking  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

104.

Teams with diverse employees usually take longer to perform effectively. If this is so, explain why and the reasons for still using them.

Diversity may be identified from a surface-level or deep-level perspective. Surface-level diversity is not really an option for organisations, but is rather an imperative arising from the diversity within the workforce. Ethically, companies need to offer fair and just work environments that promote inclusion of all employees. Deep-level diversity presents different types of issues such as communication problems and value clashes, which can become a source of conflict and decrease morale and productivity. Nevertheless, this diversity has the potential to improve customer relations, heighten creativity and improve the overall capacity of the organisation.

*AACSB: Multicultural/diversity  
Difficulty: Medium  
Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships.*

105.

Which of the following is NOT included in the four perspectives of organisational effectiveness?

A.

OPEN systems

**B.**

Organisational opportunities

C.

High-performance work practices

D.

Stakeholders

*AACSB: Reflective thinking  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

106.

The concept of high-performance work practices (HPWP) is similar to organizational learning, except for the fact that:

**A.**

HPWP perspective tries to figure out specific ways to generate the most value from human capital

B.

HPWP perspective retains the organisation’s memory and motivates employees to remain with the company

C.

HPWP perspective focuses on organization–environment fit

D.

Both answers B and C are correct

*AACSB: Analytic  
Difficulty: Hard  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

107.

How do high-performance work practices (HPWP) improve an organisation’s effectiveness?

A.

By motivating employees to unlearn routine and patterns of behaviour

B.

By operating in close systems independent of an external environment

**C.**

By strengthening employee motivation and developing positive attitudes towards the employer

D.

By supporting economic, social and environmental spheres of sustainability

*AACSB: Analytic  
Difficulty: Medium  
Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness.*

108.

What are the three elements of the triple-bottom line approach?

**A.**

Economic, social, environment

B.

Financial, economic, social

C.

Economic, ethics, environment

D.

Financial, ethics, social

*AACSB: Reflective thinking  
Difficulty: Easy  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

109.

Why is organisational behaviour (OB) an important field of study?

Organisational behaviour is the study of what people think, feel and do in and around organisations. Organisations are groups of people who work interdependently towards some purpose. OB theories help people (1) make sense of the workplace; (2) question and rebuild their personal mental models; and (3) get things done in organisations. OB knowledge is for everyone, not just managers. OB knowledge is just as important for the organisation’s financial health.

*AACSB: Reflective thinking  
Difficulty: Easy  
Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry.*

Chapter 01 Testbank Summary

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| --- | --- |
| *Category* | *# of Questions* |
| AACSB: Analytic | 7 |
| AACSB: Communication | 2 |
| AACSB: Ethics | 14 |
| AACSB: Multicultural | 1 |
| AACSB: Multicultural/diversity | 11 |
| AACSB: Reflective thinking | 9 |
| AACSB: Technology | 6 |
| Difficulty: Difficult | 1 |
| Difficulty: Easy | 41 |
| Difficulty: Hard | 10 |
| Difficulty: Medium | 57 |
| Learning objective: 1.1 Define organisational behaviour and organisations, and discuss the importance of this field of inquiry. | 12 |
| Learning objective: 1.2 Debate the organisational opportunities and challenges of globalisation, workforce diversity and emerging employment relationships. | 23 |
| Learning objective: 1.3 Discuss the anchors on which organisational behaviour knowledge is based. | 19 |
| Learning objective: 1.4 Compare and contrast the four perspectives of organisational effectiveness. | 55 |