

Award: 10.00 points

Strategic management focuses on the corporate tactics and industry characteristics that affect an organization's profitability.

→ O True

False

Strategic management focuses on the corporate tactics and industry characteristics that affect an organization's profitability. A strategic management study might examine the relationship between firm diversification (when a firm expands into a new product segment) and firm profitability.

#### References

True / False Difficulty: 1 Easy Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

# 2. Award: 10.00 points

The theories and concepts found in OB are drawn from two disciplines: human resource management and strategic management.

True

→ O False

The theories and concepts found in OB are drawn from a wide variety of disciplines, such as industrial and organizational psychology, social psychology, and anthropology. Models from economics are used to understand motivation, learning, and decision making. This diversity brings a unique quality to the study of OB.

### References

True / False Difficulty: 1 Easy Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

The two primary outcomes of interest to OB researchers, employees, and managers are job performance and organizational commitment.





The two primary outcomes of interest to organizational behavior researchers (and employees and managers) are job performance and organizational commitment.

#### References

	Learning Objective: 01-02 What are the two primary outcomes in studies of OB?
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## 4 Award: **10.00 points**

Much of what we know about organizational behavior is considered universal and "culture free," meaning that managing people presents the same challenges everywhere.

True

→ O False

Research has demonstrated that national cultures affect many of the relationships in the integrative model of organizational behavior. Much of what we know about OB is not necessarily "universal" or "culture free."

#### References

# 5.

Learning and decision making deal with how employees gain job knowledge and how they use that knowledge to make accurate judgments on the job.



Learning and decision making deal with how employees gain job knowledge and how they use that knowledge to make accurate judgments on the job.

#### References

True / False	Difficulty: 1 Easy	Learning Objective: 01-03 What factors affect the two primary OB outcomes?

# 6. Award: 10.00 points

Organizational behavior is a field of study taking the theories and principles of OB and exploring the practical applications of those principles in organizations.

True

 $\rightarrow$  O False

Human resource management takes the theories and principles studied in OB and explores the practical applications of those principles in organizations.

## References

True / False Difficulty: 1 Easy Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

Like individual characteristics, group mechanisms shape satisfaction, stress, motivation, trust, and learning.

→ O True

False

The integrative model also acknowledges that employees do not work alone. Instead, they typically work in one or more work teams. Like individual characteristics, these group mechanisms shape satisfaction, stress, motivation, trust, and learning.

## References

True / False Difficulty: 1 Easy Learning Objective: 01-03 What factors affect the two primary OB outcomes?

# Award: 10.00 points

To counter the effects of a bad product, effective management of OB can help improve the product incrementally over the long term.

→ O True

False

If a firm has a bad enough product, people won't buy it, regardless of how happy, motivated, or committed the company's workforce is. Effective management of OB can help improve a product incrementally over the long term.

#### References

According to the resource-based view of organizations, a firm's resources include only financial and physical resources, such as buildings, machines, and technology.





According to the resource-based view of organizations, a firm's resources also include resources related to organizational behavior, such as the knowledge, ability, and wisdom of the workforce, as well as the image, culture, and goodwill of the organization.

#### References

True / False	Difficulty: 1 Easy	Learning Objective: 01-03 What factors
		affect the two primary OB outcomes?

# 10. Award: 10.00 points

Resources such as culture, teamwork, trust, and reputation are termed "socially complex" because it is not always clear which organizations do (and do not) possess them, although it is clear how they came to develop.

True

→ C False

People also create socially complex resources, such as culture, teamwork, trust, and reputation. These resources are termed "socially complex" because it is not always clear how they came to develop, although it is clear which organizations do (and do not) possess them.

#### References

Firms that undergo an initial public offering (IPO) typically have longer histories and rely on products or services that have already been established in the marketplace.





Firms that undergo an IPO typically have shorter histories and need an infusion of cash to grow or introduce some new technology.

#### References

True / False	Difficulty: 1 Easy	Learning Objective: 01-04 Why might firms that are good at OB tend to be more profitable?
		prontable:

# 12. Award: 10.00 points

OB research suggests that there is no one thing that, in and of itself, can increase profitability.

→ O True

False

There is no one thing that in and of itself can increase profitability. Instead, the effective management of OB requires a belief that several different practices are important, along with a long-term commitment to improving those practices.

#### References

True / False Difficulty: 1 Easy Learning Objective: 01-04 Why might firms that are good at OB tend to be more profitable?



True

→ O False

The integrative model of OB was designed with the Rule of One-Fifth in mind.

#### References

True / False Difficulty: 1 Easy Learning Objective: 01-04 Why might firms that are good at OB tend to be more profitable?

# 14. Award: 10.00 points

Theory is defined as a collection of assertions—both verbal and symbolic—that specify how and why variables are related, as well as the conditions in which they should (and should not) be related.

→ O True

False

The scientific method begins with theory, defined as a collection of assertions—both verbal and symbolic—that specify how and why variables are related, as well as the conditions in which they should (and should not) be related.

## References

True / False Difficulty: 1 Easy Learning Objective: 01-05 What is the role of theory in the scientific method?

A correlation describes the statistical relationship between three variables.





A correlation, abbreviated r, describes the statistical relationship between two variables. Correlations can be positive or negative and range from –1 (a perfect negative relationship) to 0 (no relationship at all) to 1 (a perfect positive relationship).

#### References

True / False	Difficulty: 1 Easy	Learning Objective: 01-06 How are
		correlations interpreted?

# 16. Award: 10.00 points

The method of intuition states that people hold firmly to some belief because it "just stands to reason"—it seems obvious or self-evident.

→ O True

False

From a scientist's point of view, it doesn't really matter what a person's experience, intuition, or authority suggests; the prediction must be tested with data. The best way to get a feel for the correlation is to look at a scatterplot—a graph depicting the relationship between two variables.

#### References

True / False Difficulty: 1 Easy Learning Objective: 01-05 What is the role of theory in the scientific method?

The strength of a correlation can be inferred from the "compactness" of its scatterplot.



The strength of the correlation can be inferred from the "compactness" of its scatterplot.

### References

True / False		Learning Objective: 01-06 How are correlations interpreted?
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## 18. Award: 10.00 points

Understanding correlation is important because OB questions are "yes or no" in nature.





Understanding the correlation is important because OB questions are not "yes or no" in nature. That is, the question is not "Does social recognition lead to higher job performance?" but rather "To what degree does social recognition lead to higher job performance?" The correlation provides a number that expresses an answer to the "to what degree" question.

#### References

True / False	Difficulty: 1 Easy	Learning Objective: 01-06 How are
		correlations interpreted?

Causal inferences means establishing that one variable really does cause another.



Causal inferences means establishing that one variable really does cause another.

### References

True / False	Difficulty: 1 Easy	Learning Objective: 01-06 How are
		correlations interpreted?

# 20. Award: 10.00 points

Meta-analysis takes all the correlations found in studies of a particular relationship and calculates a weighted average (such that correlations based on studies with small samples are weighted more than correlations based on studies with small samples).





Meta-analysis calculates a weighted average, but larger studies receive more (not less) weight.

### References

True / False Difficulty: 1 Easy Learning Objective: 01-06 How are correlations interpreted?

is a field of study devoted to understanding, explaining, and ultimately improving the attitudes and behaviors of individuals and groups in organizations.
→ Organizational behavior
Strategic management
O Behavioral research
Human resource management
Bureaucratic research

Organizational behavior (OB) is a field of study devoted to understanding, explaining, and ultimately improving the attitudes and behaviors of individuals and groups in organizations. OB can be contrasted with two other courses: human resource management and strategic management.

## References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

Which of the following attributes have been identified as some of the worst behaviors exhibited by coworkers?

0	resisting even beneficial change
0	being first to arrive and last to leave
0	getting a job done without being managed
$\rightarrow$ O	complaining about anything and everything

of feeling an attachment to an employer for the long haul

There are several behavioral attributes that have been identified as among the best and worst behaviors exhibited by coworkers. Complaining about anything and everything is one of the worst behaviors identified.

## References

Multiple Choice Difficulty: 1 Easy

Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

Which of the following takes the theories and principles studied in OB and explores the practical applications of those principles in organizations?

$\rightarrow$ O	human resource management
0	operations management
0	financial management
0	strategic management
0	economic research

Human resource management takes the theories and principles studied in OB and explores the applications of those principles in organizations.

## References

Multiple Choice Difficulty: 1 Easy	Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?
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Strategic management focuses on

	0	the theories and principles studied in OB and explores the applications of those principles within organizations.
$\rightarrow$	0	the corporate tactics and industry characteristics that affect an organization's profitability.
	0	the satisfaction, emotions, and team processes found in OB.
	0	the individual mechanisms that directly affect job performance and organizational commitment.
	0	the degree to which employees feel that their company does business with fairness, honesty, and integrity.

Strategic management focuses on the corporate tactics and industry characteristics that affect an organization's profitability. A strategic management study can help in examining the relationship between a firm's diversification and its profitability.

## References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

When a firm expands into a new product segment, it is known as

artelization.

product recall.

→ O diversification.

monopolization.

product divestment.

When a firm expands into a new product segment, it is known as diversification.

#### References

Multiple Choice Difficulty: 1 Easy

Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

# 26. Award: 10.00 points

OB research on job performance and individual characteristics draws primarily from studies in \_\_\_\_\_ psychology.

- managerial and organizational
- → O industrial and organizational
  - economic and organizational
  - economic and managerial
  - industrial and economic

The theories and concepts found in OB are drawn from a wide variety of disciplines. Research on job performance and individual characteristics draws primarily from studies in industrial and organizational psychology.

#### References

Multiple Choice Difficulty: 1 Easy

Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

Research on satisfaction, emotions, and team processes found in OB draws heavily from studies in

0	organizational sociology
0	industrial psychology.
0	managerial sociology.

economic sociology.

→ O social psychology.

The theories and concepts found in OB are drawn from a wide variety of disciplines. Research on satisfaction, emotions, and team processes draws heavily from social psychology.

#### References

Multiple Choice Difficulty: 1 Easy

Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

A human resource management study might examine the best ways to structure training programs to promote employee learning, whereas a(n) study might explore the relationship between learning and job performance.		
o strategic management		
→ O organizational behavior		
o job satisfaction		
profitability		
O behavioral		

Organizational behavior explores the attitudes and behaviors of individuals and groups in organizations.

## References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

Which of the following is a primary individual outcome of interest to organizational behavior researchers according to the integrative model?

→ O organizational commitment

team processes

personality

culture

ability

The two primary individual outcomes of interest to organizational behavior researchers: job performance and organizational commitment.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-02 What are the two primary outcomes in studies of OB?

# 30. Award: 10.00 points

Of the following, which is a primary individual outcome according to the integrative model?

team cohesion

obsatisfaction

emotional skills

personality adaptability

→ O job performance

The two primary outcomes of interest to organizational behavior researchers: job performance and organizational commitment.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-02 What are the two primary outcomes in studies of OB?

Three employees work for the same big-box store but have different mixes of individual mechanisms. Jimmy works in facilities. He does not mind going to work every day but feels the company should pay him more per hour. While the work is generally not stressful, Jimmy does not have much motivation to complete his daily duties quickly, so he spreads them out to fill the workday. Jimmy was trained to perform his tasks in a certain way, and he performs his job in the same manner today as he did on the first day of work.

Fatima works in door and window sales, and she enjoys not only selling but also talking about with customers. The job is not stressful, other than requiring her to stand most of the day. The store's commission motivates Fatima to sell as much as possible and to offer suggestions to most customers. However, she is not entirely sure the commission accounts are being figured correctly and has begun to personally track her sales every day. Fatima feels that each customer interaction helps her to sharpen her customer-evaluation skills, allowing her to make intuitive decisions about which items to push to which customer.

Paola works as a human resource manager and enjoys her job. She was promoted from office assistant and is thankful that she spends most of her day at her desk. Her position as manager means that she has to handle employee problems. That part of the job causes some stress to her personal skills, but she is motivated to improve her skills and do well in the job. Paola trusts her supervisor and the company as a whole but feels the company lacks in employee training, and at times she feels adrift on what tasks she is responsible for.

Given this information, which of the following statements is more likely to be true?

	0	Paola has the best chance of achieving high individual outcomes in both job performance and organizational commitment.
	0	Jimmy has the best chance of achieving high individual outcomes in both job performance and organizational commitment.
>	0	Fatima has the best chance of achieving high individual outcomes in both job performance and organizational commitment.
	0	Fatima has the lowest chance of achieving high individual outcomes of both job performance and organizational commitment.
	0	Paola has the lowest chance of achieving high individual outcomes of both job performance and organizational commitment.

Five individual mechanisms directly affect the individual outcomes of job performance and organizational commitment. The five factors are job satisfaction; stress; motivation; trust, justice, and ethics; and learning and decision making. Of these five factors, Fatima scores the highest in all categories. The only factor that is against Fatima's high individual outcomes is her level of trust with the commission payment system.

## References

**Multiple Choice** Difficulty: 2 Medium Learning Objective: 01-02 What are the two primary outcomes in studies of OB?

According to the integrative model of organizational behavior, motivation, trust, justice, and ethics are

0	organizational mechanisms.
$\rightarrow$ O	individual mechanisms.
0	individual outcomes.
0	group mechanisms.
0	group outcomes.

The integrative model illustrates a number of individual mechanisms that directly affect job performance and organizational commitment. These include job satisfaction, motivation, trust, justice, and ethics.

## References

Which of the following is an example of an individual mechanism from the integrative model that directly affects job performance and/or organizational commitment?

Peggy is an extrovert, which may account for her position as top salesperson.

$\rightarrow$	0	Jamal's daily job exceeds his physical capacities, and he is becoming depressed due to the strain.
	0	Ken is in a work group with a particularly difficult coworker, and he is considering asking for a transfer.
	0	Haru was hesitant about his new job when he learned that all decisions pass through one person, a surly department head.
	0	Diane possesses the cognitive ability to work the sales floor, but she lacks the emotional skills necessary for working with the public.

Stress is the psychological response to job demands that tax or exceed an employee's capacities, as in Jamal's case. Stress is one form of an individual mechanism directly affecting job performance and organizational commitment.

## References

Which of the following reflect(s) the degree to which employees feel that their company does business with fairness, honesty, and integrity?

→ O trust, justice, and ethics

opersonality and ability

o job satisfaction

team processes

motivation

Trust, justice, and ethics reflect the degree to which employees feel that their company does business with fairness, honesty, and integrity.

#### References

**Multiple Choice** Difficulty: 1 Easy Learning Objective: 01-03 What factors affect the two primary OB outcomes?

35 Award: 10.00 points

Which of the following is the term used when employees' psychological responses to job demands that tax or exceed their capabilities?

o job performance

O leadership style

o job satisfaction

ability

 $\rightarrow$  O stress

Stress reflects employees' psychological responses to job demands that tax or exceed their capacities.

#### References

Which of these individual mechanisms captures what employees feel when they think about their job and doing their day-to-day work?

- o job performance
- → O job satisfaction
  - personality
  - ability
  - stress

Job satisfaction captures what employees feel when they think about their job and doing their day-to-day work.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-03 What factors affect the two primary OB outcomes?

# 37. Award: 10.00 points

As Shontay gains experience, she obtains job knowledge and uses this knowledge to manage her employees effectively. Which individual mechanism is referred to in this statement?

- → O learning and decision making
  - trust, justice, and ethics
  - opersonality and ability
  - team processes
  - motivation

Learning and decision making deals with how employees gain job knowledge and how they use that knowledge to make accurate judgments on the job.

### References

Which of the following individual characteristics illustrated in the integrative model of OB reflect the various traits and tendencies that describe how people act, with commonly studied traits including extraversion, conscientiousness, and collectivism?

- trust, justice, and ethics
- learning and decision making
- → O personality and cultural values
  - o job performance and organizational commitment
  - organizational structure and organizational culture

Personality and cultural values reflect the various traits and tendencies that describe how people act, with commonly studied traits including extraversion, conscientiousness, and collectivism.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-03 What factors affect the two primary OB outcomes?

# 39. Award: 10.00 points

In the integrative model, the individual characteristic \_\_\_\_\_ includes cognitive abilities, emotional skills, and physical abilities.

- personality
- → O ability
  - cultural values
  - trust
  - motivation

The integrative model examines ability, which describes the cognitive abilities (verbal, quantitative, etc.), emotional skills (other awareness, emotion regulation, etc.), and physical abilities (strength, endurance, etc.) that employees bring to a job.

#### References

Multiple Choice Difficulty: 1 Easy

Learning Objective: 01-03 What factors affect the two primary OB outcomes?

Which of the following is an example of a group mechanism?

ability
ability

motivation

trust, justice, and ethics

organizational commitment

→ O team characteristics and diversity

Team characteristics and diversity describe how teams are formed, staffed, and composed and how team members come to rely on one another as they do their work.

#### References

Multiple Choice Difficulty: 1 Easy

Learning Objective: 01-03 What factors affect the two primary OB outcomes?

# **41.** Award: **10.00 points**

Which of the following group mechanisms summarizes how teams behave?

team characteristics and diversity

team personality

team responsibilities

leader styles and behaviors

→ O team processes and communication

Team processes and communication summarize how teams behave, including their coordination, conflict, and cohesion.

## References

Multiple Choice Difficulty: 1 Easy

Learning Objective: 01-03 What factors affect the two primary OB outcomes?

Which of the following captures the specific actions that leaders take to influence others at work?

- leader influence and negotiation
- → O leader styles and behaviors
  - leader cultural values
  - leader personality
  - leader power

Leader styles and behaviors capture the specific actions that leaders take to influence others at work.

#### References

**Multiple Choice** Difficulty: 1 Easy Learning Objective: 01-03 What factors affect the two primary OB outcomes?

# 43. Award: 10.00 points

Which organizational mechanism illustrated by the integrative model captures "the way things are" in an organization?

- organizational leadership
- → O organizational culture
  - organizational structure
  - organizational ability
  - organization size

Organizational culture captures "the way things are" in an organization.

## References

Organizationalhow the units within the f	is the organizational mechanism in the integrative model that dictates irm link to other units.
o culture	
ability	
leadership	
performance	
→ O structure	

Organizational structure is the organizational mechanism in the integrative model that dictates how the units within the firm link to other units.

## References



Many OB practices are universal across all cultures.

O Companies manage diversity by composing work groups with employees who all share the same national culture.

→ ○ Expatriates are employees living outside their country of origin.

The number of international companies is decreasing due to problems with cultural understanding.

The majority of OB theories and practices are "culture free."

Organizational culture captures shared knowledge about the rules, norms, and values that shape employee attitudes and behaviors.

#### References

**Multiple Choice** Difficulty: 1 Easy Learning Objective: 01-03 What factors affect the two primary OB outcomes?

# 46. Award: 10.00 points

Which of the following statements about the resource-based view of organizations is accurate?

It suggests that resources are valuable because they are plentiful.

→ O It describes what makes resources capable of creating long-term profits for the firm.

O It suggests that inimitable resources are of lesser value to an organization.

A firm's resources include resources related to individual behavior.

It suggests that the value of resources depends on a single factor.

The resource-based view suggests that the value of resources depends on several factors. It describes what exactly makes resources valuable and capable of creating long-term profits for the firm.

## References

The level of creativity demonstrated by Yosef's coworkers is rare. Therefore, according to the
, these employees are valuable to the firm.

- → O resource-based view of organizations
  - integrative theory of organizational behavior
  - normative selection model
  - economic theory of the firm
  - operformance-based theory of organizations

The resource-based view of organizations states that several elements make a resource valuable. One of these elements is rarity.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-03 What factors affect the two primary OB outcomes?

# 48 Award: 10.00 points

The resource-based view of organizations states that people are valuable assets because their knowledge, skills, and abilities are \_\_\_\_\_ and also because people are inimitable.

- foundational
- $\rightarrow$   $\bigcirc$  rare
  - widespread
  - individual
  - interchangeable

Resources that are rare and inimitable are valuable to firms.

#### References

According to the resource-based view of organizations, people are inimitable because they

$\bigcirc$	are necessar	y for l	building	coworkers'	morale.

- are necessary for the production of goods and/or services.
- O do their work with more precision than a machine could achieve.
- create lasting changes in the organization that can be replicated if necessary.
- → make many small decisions that cannot be replicated by other organizations.

Resources that are rare and inimitable are valuable to organizations. People are inimitable because they create an organizational history made up of their shared knowledge, skills, and abilities; the many small decisions they make cannot be replicated by other organizations; and they create complex social resources based on shared culture, teamwork, trust, and reputation.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-03 What factors affect the two primary OB outcomes?

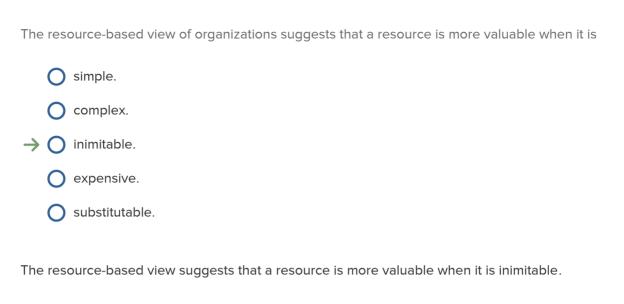
## 50. Award: 10.00 points

According to the resource-based view, a resource is more valuable when it is

- easily mimicked.
- easily obtained.
- financial in nature.
- physical in nature.
- $\rightarrow$   $\bigcirc$  hard to find.

The resource-based view suggests that a resource is more valuable when it is rare.

## References



#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-03 What factors affect the two primary OB outcomes?

# 52. Award: 10.00 points

Gateway Corporation developed a new form of technology for which it holds a patent. This technology allowed it to significantly reduce the cost of production on its major product line. This resource is

osimple.

omplex.

→ O inimitable.

hypothetical.

O substitutable.

Gateway Corporation's patent on a new form of technology means the resource is inimitable, meaning that it is difficult to imitate.

### References

Examples of socially complex resources include

	1.				
$\rightarrow$ $\bigcirc$	culture,	teamwork,	trust,	and	reputation.

- atisfaction, stress, motivation, trust, and learning.
- ocordination, conflict, and cohesion.
- strength, endurance, and awareness.
- personality and cultural values.

These resources are termed "socially complex" because it's not always clear how they came to develop.

#### References

Which of the following statements concerning OB practices is not accurate?

$\rightarrow$ C	It is easy to "fix" companies that struggle with OB issues.
C	OB requires a belief that several different practices are important.
C	Effective OB management practices include a long-term commitment to improve those practices.
C	Good OB seems to matter in terms of company profitability.
	No one thing, in and of itself, can increase profitability.

People also create socially complex resources such as culture, teamwork, trust, and reputation. These resources are termed "socially complex" because it's not always clear how they came to develop, although it is clear which organizations do (and do not) possess them.

### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-04 Why might firms that are good at OB tend to be more profitable?

Which of the following examples shows an effective way of dealing with the international element of OB?

>	0	Nancy adjusted her approach with an employee from South Korea because he had different motivations than U.S. employees do.
	0	Hinata felt ashamed about discussing with her manager the difficulties of adjusting to American business practices.
	0	Larry assumed the policies he used for his Chicago office would work equally as well in the new Tokyo branch.
	0	Sean decided to ignore the international aspect of his work team because he did not want to play favorites.
	0	Mario believes the principles of OB management are consistent in countries throughout the world.

To deal effectively with the international element of OB, companies need to be aware of the challenges and differences in dealing with foreign employees and companies based in other countries. Nancy does this by adjusting her approach with an employee from South Korea.

## References

Gabriel has come to mistrust the company he works for in recent months. Which of the following examples most likely caused this?

	0	Gabriel's efforts to offer employees flexible hours failed.
$\rightarrow$	0	Gabriel learned that his employer uses unethical financial reporting practices.
	0	Gabriel became disappointed when his employer did not hire a family member.
	0	Gabriel had to lay off an employee due to restructuring.
	0	Gabriel proposed a policy that was partially successful in decreasing staff hours on a project.

Trust, justice, and ethics reflect the degree to which employees feel that their company does business with fairness, honesty, and integrity. Using unethical financial reporting practices shows a lack of honesty and integrity.

#### References

Crate and Barrel, a retailer based out of Illinois, wants to increase the motivation of its employees. Which of the following examples would most likely achieve this?

$\rightarrow$ C	a performance-based incentive system for its employees in which workers' pay will be based on their productivity
C	a reduction of vacation benefits for employees who have been working at the company for less than five years
C	the implementation of a new invoicing system that will enable employees to do more work for the same pay
C	a more hands-on managerial style in which all employees would have to punch in and out with a time clock
C	the consolidation of two departments into one, thereby reducing overhead expenses

A performance-based incentive system would most likely increase the motivation of employees because it would capture the energetic forces that drive employees' work effort.

#### References

You are the CEO of a business who wants to use an integrative model of OB. Which of the following actions would you take to implement this?

	O	Use one work team, but do not appoint a specified leader.
	0	Have employees work alone but occasionally report to a manager.
$\rightarrow$	0	Divide your employees into three work teams, each headed by a different leader.
	0	Have employees work closely with two other people but without forming a team.
	0	Use a work team for the managers, but have the other employees work individually.

The integrative model acknowledges that employees do not work alone. Instead, they typically work in one or more work teams, led by a formal (or sometimes an informal) leader. Because of this, you would divide your employees into three work teams, each headed by a different leader.

### References

You are a new employee who wants to impress upon your manager how valuable you are to the company. According to the resource-based view, which of the following actions should you take?

	0	Play it safe and avoid suggesting ideas that might seem risky.
	0	Agree with whatever your manager says, even if you disagree.
	0	Make sure you arrive on time each workday and attend all the meetings.
	0	Act in a friendly way with your coworkers and contribute to team discussions.
$\rightarrow$	0	Make unique, significant contributions to the company that most employees could not achieve.

According to the resource-based view, a resource is more valuable when it is rare. As a result, if you wanted to convey your value as an employee, you would make unique, significant contributions to the company that the majority of employees could not achieve.

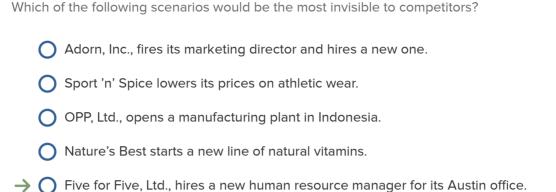
#### References

In which of the following scenarios does history create a business advantage?

	0	Using its market research, Roasty Toasty devises the best-selling toaster oven to hit the market in the last 20 years.
	0	To maintain a business advantage, Crumble Cookies keeps the recipe for its highly popular sugar cookies secret.
	0	HiTop's new ad campaign gives this hair products company a business advantage over competitors.
$\rightarrow$	0	The first company to sell robotic vacuums in the retail market, Run Around Room, uses its experience to maintain a business advantage.
	0	Effortless Enterprises and KLB, Inc., both East Coast product design firms, have been fierce competitors for more than 10 years.

People create a history—a collective pool of experience, wisdom, and knowledge that benefits the organization. The long experience of Run Around Room in the retail market has given this company a business advantage.

### References



Big decisions are visible to competitors and observable by industry experts. In contrast, the "behind the scenes" decisions, especially the decisions that involve the hiring and management of employees, are more invisible to competitors. Five for Five, Ltd., decision to hire a new human resource manager for its Austin office would thus be invisible to competitors.

### References

According to the Rule of One-Eighth,

	O	at least 88 percent of organizations will do everything necessary to put people first and thereby build profits.
$\rightarrow$	0	at best, 12 percent of organizations will actually do what is required to build profits by putting people first.
	0	75 percent of organizations won't believe the connection between how they manage their people and the profits they earn.
	0	38 percent of the organizations try to make a single change to solve their problems.
	0	one in eight organizations miserably fails at making the people-to-profit connection.

According to the Rule of One-Eighth, at best 12 percent of organizations will do what is required to build profits by putting people first.

## References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-04 Why might firms that are good at OB tend to be more profitable?

Top Shelf Enterprises is conducting its annual performance review. Which of the following employees would Top Shelf view as being the most inimitable?

	0	Juana, who has had difficulty getting along with members of her work team
	0	Bert, who has often been late to meetings and complains about his workload
$\rightarrow$	0	Takumi, who devised a new component that increased company sales by 25 percent
	0	Liam, who has been a steady and reliable worker for the company for over five years
	0	Lotte, who has brilliant suggestions but often fails to follow them all the way through

Talented and motivated employees are sometimes rare—witness the adage "good people are hard to find." Such people are difficult to imitate, also, and thus are inimitable. A person like Takumi, who has devised a new component that increased sales by 25 percent, would be difficult to imitate and thus would be considered inimitable.

## References

Multiple Choice Difficulty: 2 Medium Learning Objective: 01-04 Why might firms that are good at OB tend to be more profitable?

According to the Rule of One-Eighth, which of the following scenarios is the most common?

• C	The CEO of Starbridge, Inc., read books about how putting people first builds profits but did not believe them.
C	The CEO of Energize, Inc., implemented comprehensive changes to put employees first but ended this plan prematurely.
C	The CEO of LongRun, Inc., increased the benefits of employees, which was one of many suggested changes to put people first.
C	The CEO of Shorelsland, Inc., made long-lasting changes that put employees first and, as a result, the company's profits soared.
C	The CEO of UpGrade, Inc., gave employees more responsibility over their work but stopped this approach after only two months.

Effective management of OB requires a belief that several different practices are important, along with a long-term commitment to improving those practices. The Rule of One-Eighth suggests that one-half of organizations will not believe the connection between how they manage their people and the profits they earn. The CEO of Starbridge fits this category, which is the most common. The one-half of organizations that do believe in that connection will make a single change to solve their problems, not realizing that the effective management of people requires a more comprehensive and systematic approach. Of the firms that make comprehensive changes, probably about one-half will persist with their practices long enough to derive economic benefits. One-half times one-half times one-half equals one-eighth, suggesting that, at best, 12 percent of organizations will actually do what is required to build profits by putting people first.

#### References

Multiple Choice Difficulty: 2 Medium Learning Objective: 01-04 Why might firms that are good at OB tend to be more profitable?

Which of the following are two of the methods by which people "know" things?

- method of intuition and method of education
- method of education and method of authority
- → ∩ method of experience and method of science
  - method of authority and method of research
  - method of inference and method of education

The four methods by which people know things are the methods of experience, intuition, authority, and science.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-05 What is the role of theory in the scientific method?

# 66. Award: 10.00 points

Which of the following methods suggests that people hold firmly to some belief because it is consistent with their own observations?

- method of science
- method of intuition
- method of behavior
- method of authority
- → ∩ method of experience

Method of Experience: People hold firmly to some belief because it is consistent with their own experience and observations.

### References

Ellis decided to open the store for longer hours because it seemed to be the obvious thing to do. Which of the following philosophies is he relying on?

method of science

→ O method of intuition

method of behavior

method of authority

method of experience

Method of Intuition: People hold firmly to some belief because it seems obvious or self-evident.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-05 What is the role of theory in the scientific method?

# 68. Award: 10.00 points

Of the following methods, which suggests that people hold firmly to some belief because some respected official, agency, or source has said it is so?

method of science

method of intuition

method of behavior

→ ∩ method of authority

method of experience

Method of Authority: People hold firmly to some belief because some respected official, agency, or source has said it is so.

### References

Riku, a human resource (HR) manager, believes that his implementation of HR practices in the company is impeccable because he received the recommendations for these practices directly from the CEO. Which of the following philosophies is he relying on?

method	of science
, iliculou	OI SCICIL

method of intuition

method of behavior

→ ○ method of authority

method of experience

Method of Authority: People hold firmly to some belief because some respected official, agency, or source has said it is so.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-05 What is the role of theory in the scientific method?

# 70. Award: 10.00 points

Choose the method that suggests people hold firmly to some belief because it seems obvious or self-evident.

method of science

method of behavior

method of authority

method of experience

Method of Intuition: People hold firmly to some belief because it seems obvious or self-evident.

## References

Ella believes that a 360-degree performance review is ideal for her company because she recently read about a major survey of Fortune 100 companies that highlighted the effectiveness of this method. Which of the following philosophies is she relying on?

→ ○ method of science

method of intuition

method of behavior

method of authority

method of experience

Method of Science: People accept some belief because scientific studies have tended to replicate that result using a series of samples, settings, and methods.

### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-05 What is the role of theory in the scientific method?

# 72. Award: 10.00 points

Who is considered to be the originator of the scientific method?

Jeffrey Pfeffer

Frederick Taylor

O Charles Darwin

→ O Sir Francis Bacon

Adam Smith

Scientific studies are based on the scientific method originated by Sir Francis Bacon in the 1600s.

#### References

74.

	ertions that specify how and why variables are related	, as							
well as the conditions in which they should and should not be related.									
Hypothesis									
Information									
O Paradigm									
O Data	O Data								
→ ○ Theory									
Theory is defined as a collection of assertions that specify how and why variables are related, as well as the conditions in which they should (and should not) be related.									
References									
Multiple Choice Difficulty: 1 Easy	Learning Objective: 01-05 What is the role of theory in the scientific method?								
Award: 10.00 points									
The scientific method begins with									
The scientific method begins with  → ○ theory.									
→ ○ theory.									
<ul><li>theory.</li><li>auditing.</li></ul>									
<ul><li>theory.</li><li>auditing.</li><li>paradigm.</li></ul>									
<ul><li>theory.</li><li>auditing.</li><li>paradigm.</li><li>hypotheses.</li></ul>									
<ul><li>theory.</li><li>auditing.</li><li>paradigm.</li><li>hypotheses.</li><li>verification.</li></ul>	nd requires that theories be used to inspire hypothes	es.							
<ul><li>theory.</li><li>auditing.</li><li>paradigm.</li><li>hypotheses.</li><li>verification.</li></ul>	nd requires that theories be used to inspire hypothes	∋s.							

In the 1960s, a popular ad stated that "Blondes have more fun!" This is an example of

→ ○ a positive correlation.

negative causation.

a proven fact.

verification.

O data.

This ad suggests a positive correlation between hair color and fun.

# References

**Multiple Choice** Difficulty: 1 Easy Learning Objective: 01-06 How are correlations interpreted?

# 76. Award: 10.00 points

The scientific method requires that theories be used to inspire

verification.

→ ∩ hypotheses.

o experience.

intuition.

auditing.

The scientific method begins with theory and requires that theories be used to inspire hypotheses.

#### References

are written predictions that specify relations between variables.
→ O Hypotheses
Verifications
Theories
O Data
Collections
Hypotheses are written predictions that specify relations between variables.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-05 What is the role of theory in the scientific method?

#### 78. Award: 10.00 points

You are a manager who uses the method of intuition to make decisions. Considering this, which of the following actions would you probably take?

$\rightarrow$	()	You hire more workers because it just makes sense.	

- You fire fifteen employees because your boss claims this action was necessary.
- You recommend expanding your company into Canada because of survey reports.
- You approve a budget for a new product lined based on extensive market research.
- You lower your bid for a new project due to your history with a competitor who is also submitting a bid.

The method of intuition refers to when people hold firmly to some belief because it seems obvious or self-evident. Because of this, you would hire more workers because it just makes sense.

## References

Malik believes in making decisions based on the method of experience. Considering this, which of the following actions would he most likely take?

	0	He would buy the ClearPrint copy machine because the choice seems obvious.
	0	He would buy the Sharpes copy machine because a consumer magazine highly recommends it.
	0	He would buy the Armstrong copy machine because research shows it is the least expensive to maintain.
<b>&gt;</b>	0	He would buy the Shashin copy machine because he liked his previous machine, which was made by Shashin.
	0	He would buy the Schultz copy machine because surveys of the product show the highest customer approval.

People use the method of experience to hold firmly to some belief because it is consistent with their own experience and observations. Malik's experience with the Shashin copy machine would likely convince him to buy another one.

## References

Venia, who often relies on the method of authority, has to make an important decision about marketing a product. She is most likely to

	O	hire an ad agency because she liked working with the agency before
	0	hire an ad agency because her close friend works for the agency.
	0	hire an ad agency because many other companies have hired it.
	0	hire an ad agency because a survey showed it was effective.
$\rightarrow$	0	hire an ad agency because her boss recommended it.

The method of authority suggests that people hold firmly to a belief because some respected official, agency, or source has said it is so. Venia, who often relies on this method, would most likely hire an ad agency because her boss recommended it.

### References

You work for a company that manufactures jeans, and you have an idea about how cold weather correlates with buying jeans. If you were implementing the scientific method for this company, which of the following actions would you do first?

	Write a report showing how the data proves that more jeans sell in cold weather.
	Predict that more of the company's jeans will sell in January than in July.
	Collect data to prove that jeans will sell more in January than in July.
	Distribute surveys to find out how cold weather affects customers.
$\rightarrow$	Assert that cold weather makes people buy more jeans.

The scientific method begins with a theory, defined as assertions. Because of this, you would first assert that cold weather makes people buy more jeans. This would be your theory, which would start the scientific method.

## References

Which of the following is an example of meta-analysis?

determine the cause of employee turnover.

	0	Yeeun used one study, which used a consistent measuring method, to determine the cause of employee stress.
	0	Sosuke used one study, which combined different samples, to determine why customers buy a certain product.
	0	Gail used two studies, each using the same samples and measures, to determine why sales of a product have declined.
	0	Sergio combined several studies, each using the same measuring method, to determine why profitability has increased.
$\rightarrow$	0	Fionn combined several studies, each using different kinds of samples and measures, to

Meta-analyses involve the use of several studies, each using different kinds of samples and measures.

#### References

Which of the following correlations indicates no relationship at all between two variables?

- $\bigcirc$  1
- O -1
- $\rightarrow$   $\bigcirc$   $\circ$ 
  - 0.10
  - -0.10

A correlation of zero indicates no relationship at all.

### References

Multiple Choice Difficulty: 1 Easy Learning C

Learning Objective: 01-06 How are correlations interpreted?

# 84 Award: 10.00 points

Which of the following correlations indicates a perfect positive relationship between two variables?

- $\rightarrow$  0 1
  - **○** -1
  - 0 0
  - **O** 100
  - **O** -100

A correlation of one indicates a perfect positive relationship.

#### References

summarize the statistical relationships between variables.
O Hypotheses
→ Correlations
Observations
O Collections
O Theories
Correlations summarize the statistical relationships between variables. Correlations can be positive or negative.
References

Learning Objective: 01-06 How are

correlations interpreted?

# 86. Award: 10.00 points

Correlations can be positive or negative and can range from

Multiple Choice Difficulty: 1 Easy

0 to 1.

 $\rightarrow$  O -1 to 1.

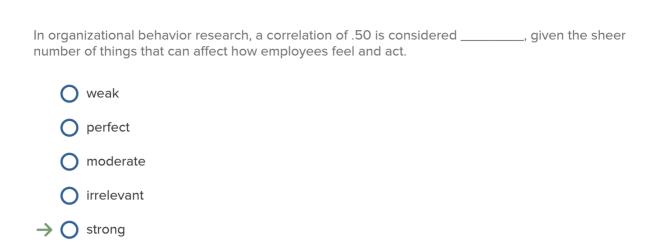
O to +100.

**○** -10 to 0.

─ 10 to 10.

Correlations can be positive or negative and range from -1 (a perfect negative relationship) to 0 (no relationship at all) to 1 (a perfect positive relationship).

# References



In organizational behavior research, a correlation of 1 is considered perfect. A correlation of .50 is strong.

#### References

Multiple Choice	Difficulty: 1 Easy	Learning Objective: 01-06 How are		
		correlations interpreted?		

# 88. Award: 10.00 points

Which of the following explains the term causal inferences?

- proving that two variables are correlated
- o making sure the sample size is adequate enough
- explaining why one variable is not correlated to another
- → establishing that one variable truly does result in another
  - analyzing a situation and understanding what went wrong

Making causal inferences involves establishing that one variable really does cause another.

### References

The presumed cause follows the presumed effect in time.
 Multiple alternative explanations exist for the correlation.
 Factors other than the variables in question could create causation.

Which of these is one of the conditions necessary to establish causal inferences?

→ ○ No alternative explanation exists for the correlation between two variables.

The sample size is large enough.

Making causal inferences requires establishing three things. First, that the two variables are correlated; second, that the presumed cause precedes the presumed effect in time; and third, that no alternative explanation exists for the correlation.

#### References

A study shows that people who walk every day are less likely to develop heart disease. Which of the following criteria of causal inference does this example show?

	0	The two variables are not correlated.
<b>→</b>	0	Multiple alternative explanations exist for the correlation.
	0	The presumed cause precedes the presumed effect in time.
	0	The study was conducted in an open environment.
	0	The sample size is large enough.

The study clearly shows that the presumed cause (walking every day) precedes the presumed effect (decreased chance of heart disease). Making causal inferences requires establishing three things. First, that the two variables are correlated; second, that the presumed cause precedes the presumed effect in time; and third, that no alternative explanation exists for the correlation.

#### References

A study shows that the high turnover rate at a company is caused only by the domineering attitude of a middle manager. What criteria of causal inference does this example show?

The study	/ was	conducted	in ar	open	environme	nt
THE Study	y vvus	conducted	III GI	Opcii	CITVITOTITIC	•

→ No alternative explanation exists for the correlation.

The presumed effect precedes the presumed cause in time.

The two variables are not correlated.

The sample size is large enough.

The study shows only one explanation for a high turnover rate, namely the domineering attitude of a middle manager. Making causal inferences requires establishing three things. First, that the two variables are correlated; second, that the presumed cause precedes the presumed effect in time; and third, that no alternative explanation exists for the correlation.

#### References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-06 How are

# 92 Award: 10.00 points

Which of these takes all the correlations found in studies of a particular relationship and calculates a weighted average of them?

alpha analysis

gamma analysis

→ O meta-analysis

causal analysis

beta analysis

Meta-analysis takes all the correlations found in studies of a particular relationship and calculates a weighted average of them.

### References

Ji-woo is interested in the effects of the choice of reward on employee motivation. She knows that there have been several studies done on this subject and compares their results looking for an average correlation. Ji-woo is conducting a

→ O meta-analysis.

mediocre analysis.

medial analysis.

remedial analysis.

o moderated analysis.

Ji-woo is conducting a meta-analysis.

# References

Multiple Choice Difficulty: 1 Easy Learning Objective: 01-06 How are correlations interpreted?

# 94. Award: 10.00 points

Which of the following options is not a factor in the scientific method?

verification

hypothesis

data

theory

→ O application

The scientific method begins with theory, uses it to develop a hypothesis, then collects data, and checks whether the data verifies the hypothesis by looking for correlation.

### References

Manon supports an evidence-based management style. Considering this, which of the following actions would she most likely take?

0	disregarding a causal inference that indicates the cause of employee dissatisfaction
0	taking the advice of a government agency on how to increase employee motivation
0	lessening the reliance on analytics to hire employees and instead relying more on intuition
0	hiring more research and development experts for the human resource department
0	combining meta-analysis with her own experience to determine the cause of employee

Evidence-based management is a perspective that argues that scientific findings should form the foundation for management education, much as they do for medical education. Proponents of evidence-based management argue that human resources should include units that offer R&D functions for managing people. As a result, Manon would most likely hire more research and development experts for the human resource department.

#### References

turnover

Multiple Choice Difficulty: 2 Medium Learning Objective: 01-06 How are correlations interpreted?

# 96. Award: 10.00 points

 $\rightarrow$ 

Define organizational behavior (OB). How does it differ from human resource management (HRM)?

OB is a field of study devoted to understanding, explaining, and ultimately improving the attitudes and behaviors of individuals and groups in organizations, whereas HRM uses the theories and principles studied in OB and explores the practical applications of those principles in organizations.

## References

Essay Difficulty: 1 Easy Learning Objective: 01-01 What is the definition of "organizational behavior" (OB)?

According to the integrative model of organizational behavior, what are the two individual
outcomes? What are the goals of most workers? What are the goals of most managers? Do you fee
the goals of the two align? Explain.

According to the integrative model of organizational behavior, the two individual outcomes are job performance and organizational commitment. Most employees have two primary goals for their working lives: to perform their job well and to remain a member of an organization that they respect. Most managers have two primary goals for their employees: to maximize their job performance and to ensure that they stay with the firm for a significant length of time. Student answers will vary on their thoughts about the alignment of the goals. The first goal for employees is to perform their job well, and the first goal of managers is to maximize employee performance. Those seem to be aligned, but there are several specific behaviors that could affect either side, such as the employee could be dealing with a health issue or the manager could be incompetent. The second goal of employees is to stay with an organization they respect, and the second goal of managers is to retain workers for a significant period of time. Again, these goals appear to align, but the goals depend on each other. If the company is not a company employees can respect, they are unlikely to stay employed with that company for very long, making the manager's goal unattainable.

#### References

Essay

Difficulty: 2 Medium

Learning Objective: 01-02 What are the two primary outcomes in studies of OB?

Briefly explain the importance of individual mechanisms featured in the integrative model of	
organizational behavior. Give an example for each.	
	7

Student answers and examples will vary but should demonstrate understanding of the integrative model of organizational behavior and the individual mechanisms involved. A sample answer follows. Several individual mechanisms directly affect job performance and organizational commitment. These include job satisfaction, which captures what employees feel when thinking about their jobs and doing their day-to-day work. For example, people who complain about the lack of creativity in their jobs are expressing a low level of job satisfaction. Another individual mechanism is stress, which reflects employees' psychological responses to job demands that tax or exceed their capacities. For example, employees who become ill because of job stress reflect this mechanism. The integrative model also includes motivation, which captures the energetic forces that drive employees' work effort. For instance, an increase in pay can result in an increase in employee motivation. Trust, justice, and ethics reflect the degree to which employees feel that their company does business with fairness, honesty, and integrity. For example, if employees find out their employer supports dishonest business practices, then the employees could lose their trust in the company. The final individual mechanism shown in the model is learning and decision making, which deals with how employees gain job knowledge and how they use that knowledge to make accurate judgments on the job. For example, employers who offer job training programs deal with this mechanism.

## References

Briefly explain the importance of group mechanisms featured in the integrative model of					
organizational behavior. Give an example of each mechanism.					

Student answers and examples will vary but should demonstrate understanding of the group mechanisms that play a role in the integrative model. A sample answer follows.

Employees typically work in one or more work teams led by some formal (or sometimes informal) leader. Like individual characteristics, these group mechanisms shape satisfaction, stress, motivation, trust, and learning. Team characteristics and diversity describe how teams are formed, staffed, and composed and how team members come to rely on one another as they do their work. For instance, the grouping of people with diverse skills into a team so they will complement each other shows this mechanism. Team processes and communication are how teams behave, including their coordination, conflict, and cohesion. For example, a team that knows the strengths and weaknesses of its members can focus on accentuating the strengths and lessening the weaknesses to improve performance. Leader power and negotiation is all about how individuals attain authority over others. For example, people are often made the leaders of groups because of their ability to motivate others. Leader styles and behaviors capture the specific actions that leaders take to influence others at work. For instance, a leader could have an accepting attitude toward all ideas during brainstorming sessions to promote group creativity.

### References

Essay

You are asked to analyze two companies using the resource-based view of organizations and	
distinguish which company has more valuable resources.	

Downside Up has a top team of engineers who have designed and produced a new software system. The software has taken the market by storm, and consumers and competitors alike are amazed that this product was not available sooner. The team of six engineers is composed of four members who have worked together for fifteen years at two different companies and two new recruits with fresh insight and enthusiasm. Downside Up has been in business for 32 years, but this is their first big product breakthrough. The company is well-positioned on the retail learning curve as the leader in the software market. Downside Up has a dedicated executive team, two of which are the children of the founder of the company. The executive team works well together with little infighting. The bulk of the employees at Downside Up work on the sales floor, and most have remained with the company for several years. Downside Up provides good benefits and has a healthy retirement plan in place. The work itself is carried out in cohesive units, where members exhibit teamwork and trust. The overall culture at Downside Up is one of inclusion, and the company and its executives have fine reputations within the industry and community. HC Solutions was founded three years ago and has developed a new, less invasive process for monitoring blood glucose levels. The company patented the process and is currently the only company providing the service. The team that developed the process consists of five members who had all previously worked at various other companies. Though the team had never worked together, they quickly developed an atmosphere of trust and teamwork. The process was developed using all team member's insights and was built incrementally into the process it is today. The other employees at HC Solutions also work in teams on various other health-related products. None of the teams has the same cohesion as the blood glucose team, and most show signs of infighting. There is some resentment from employees outside the blood glucose team about being excluded. Executives at the company would like to replicate the blood glucose team's cohesion and culture into the rest of the company but are unsure where to start or if it is even possible. Using the resource-based view of organizations, which company has the most valuable resources and is capable of creating long-term profits for the company? Assume both companies have equally valuable financial resources, including revenue and equity, and equally valuable physical resources, such as buildings, machines, and technology. Provide your reasons for your choice. Student answers and examples will vary but should demonstrate understanding of how people can be valuable resources. A sample answer follows. The resource-based view suggests that the value of resources depends on several factors, including rarity and inimitability. Both companies have a rare product in the software and blood glucose monitoring process, but the software is more likely to eventually be imitated. While Downside Up is the sole producer for now, with enough money competitors are likely to copy and begin producing their own improved widgets and enter the market as competitors. HC Solutions has a patent on its process and is likely to be the sole provider for years to come. The people comprising the group of engineers at Downside Up have more of a history working together, and the company itself has been in business longer than HC Solutions and enjoys a good reputation as an industry leader. HC Solutions does not have the history of Downside Up, and unless it can replicate the cohesiveness of the blood glucose team, it may have continued conflict in their other teams. Downside Up, as well as the group of engineers, has the advantage of years of numerous small decisions that have led to its position of industry leader today. HC Solutions lacks this advantage but has the opportunity to build this advantage if it can better manage its employees. Both companies have socially complex resources such as culture, teamwork, trust, and reputation, but Downside Up seems to have more of each of these facets than does HC Solutions. While HC Solutions has the opportunity to have highly valued resources, it is not quite at the level the Downside Up currently enjoys. However, if HC Solutions can manage the employees in their teams, it has a better opportunity of creating long-term revenues with its patented product.

#### References

Essay Difficulty: 2 Medium Learning Objective: 01-03 What factors affect the two primary OB outcomes?

101. Award: 10.00 points

ne Rule of One-Eighth.		

According to the Rule of One-Eighth, only one-half of organizations will believe the connection between how they manage their people and the profits they earn. One-half of these organizations, which see the connection, will do what other organizations have already done—try to make a single change to solve their problems, not realizing that the effective management of people requires a more comprehensive and systematic approach. Of the firms that make comprehensive changes, probably only about one-half will persist with their practices long enough to actually derive economic benefits. Thus, one-half times one-half times one-half equals one-eighth, so at best, 12 percent of organizations will do what is required to build profits by putting people first.

#### References

fir	earning Objective: 01-04 Why might rms that are good at OB tend to be more rofitable?
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Briefly describe the four different ways of knowing things. Give an example of each. Which way do you believe provides the soundest explanation and most compelling support?							

Student answers and examples will vary but should demonstrate understanding of the four ways of knowing things. A sample answer follows.

The four ways are method of experience, method of intuition, method of authority, and method of science. The method of experience involves people holding firmly to a belief because it is consistent with their experience. For example, a person might never eat at a restaurant chain because of a bad experience with one of these restaurants. People use the method of intuition if they make a choice because it seems obvious. For example, a person might buy a certain cell phone because most people seem to buy it. With the method of authority, people hold a belief because some respected agency, official, or source has said that it is so. For example, a person might not see a movie because a trusted critic panned the film. The method of science involves people holding a belief because of scientific studies. For instance, a person might think that a certain region holds oil because of extensive geological studies of this region. The method of science provides the soundest explanation and most compelling support for arguments, provided the predictions are tested with data.

#### References

Essay Difficulty: 2 Medium Learning Objective: 01-05 What is the role of theory in the scientific method?

You have been fired as a consultant to use the scientific method to evaluate a problem at a
sandwich shop. The owner currently holds a belief about the root of the problem but has asked you
to take a closer look. You will need to deconstruct the scientific method process and determine
what, if anything, is needed to complete the process of testing the belief.

Student answers and examples will vary but should demonstrate understanding of the how to apply the scientific method to evaluate a problem. A sample answer follows.

Harvest Time has been in business for 15 years in the same location, a busy corner in a highly populated suburban area. The owner of the sandwich shop owns the building the shop is located in and pays only utilities, keeping the overhead low. There are only five employees—the owner and four dedicated workers. Walk-in business is brisk. The shop offers six deluxe sandwiches and one special each week, plus premade to-go soups and salads. The five workers take turns working weekends, with one weekend worked per month. One of the workers is surly with customers, and sales are usually lower on the weekends she works. While sales of soups and salads are down, large preorders for sandwiches are slightly higher, and the shop has developed a popular glutenfree line. Overall sales are slumping, and the owner believes the surly salesperson once a month is discouraging repeat customers. How would you go about evaluating this information using the scientific method? What additional information would you need and where would you get it? What is the owner's theory and resulting hypothesis?

The scientific method begins with a theory, and the owner's theory is that surly customer service discourages repeat customers and is responsible for slumping sales. When investigating this theory, you may interview employees or customers, keep notes, examine the company's ledgers, and maybe conduct a customer survey. You are looking for a relation between customer service and the likelihood a customer will return for more purchases. From there, the theory is written into a hypothesis, which predicts the relationships between the variables. The owner's hypothesis could be "Unfriendly customer service is negatively related to repeat customer sales." To test the hypothesis, you will need to examine the correlation between customer service and repeat purchases. You will want to look at causal inferences—establishing that one variable really does cause another. To do this, you must establish three things: the two variables are correlated; the presumed cause precedes the presumed effect; and no alternative explanation exists for the correlation. The verification step may require more studies to further test the theory.

### References

Essay Difficulty: 2 Medium Learning Objective: 01-05 What is the role of theory in the scientific method?

Briefly explain correlation.								

Correlation is a method used to identify the statistical relationship between two variables. A correlation, abbreviated r, describes the statistical relationship between two variables. Correlations can be positive or negative and range from -1 (a perfect negative relationship) to 0 (no relationship at all) to 1 (a perfect positive relationship).

#### References

Essay Difficulty: 1 Easy Learning Objective: 01-06 How are correlations interpreted?

# 105. Award: 10.00 points

W	/hat is meta-analysis?			

Meta-analysis takes all of the correlations found in studies of a particular relationship and calculates a weighted average (such that correlations based on studies with large samples are weighted more than correlations based on studies with small samples). Meta-analyses can form the foundation for evidence-based management—a perspective that argues that scientific findings should form the foundation for management education, much as they do for medical education.

#### References

Essay Difficulty: 1 Easy Learning Objective: 01-06 How are correlations interpreted?