

Ch01: An overview of organizational behavior

True / False

1. Organizational behavior is the study of human behavior in organizational settings, the interface between human behavior and the organization, and the organization itself.

- a. True
- b. False

ANSWER: True

2. Human behavior in organizations is not impacted by the organizational environment.

- a. True
- b. False

ANSWER: False

3. Organizational behavior is a designated business function, just like marketing and accounting.

- a. True
- b. False

ANSWER: False

4. If an organization develops corporate goals to acquire new businesses, the task would be part of the organization's planning function.

- a. True
- b. False

ANSWER: True

5. Organizing is the process of designing jobs, grouping jobs into units, and establishing patterns of authority among jobs and groups of jobs.

- a. True
- b. False

ANSWER: True

6. Leading is the process of setting deadlines and making plans to achieve corporate goals.

- a. True
- b. False

ANSWER: False

7. The controlling function involves monitoring and correcting the actions of the organization and its members to keep them directed toward their goals.

- a. True
- b. False

ANSWER: True

8. A manager with strong conceptual skills has the ability to think in the abstract.

- a. True
- b. False

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ANSWER: True

9. Managers use their interpersonal skills to understand cause-and-effect relationships.

- a. True
- b. False

ANSWER: False

10. A system is an interrelated set of elements that function as a whole.

- a. True
- b. False

ANSWER: True

11. An organizational system receives a variety of inputs from the environment, combines and transforms them, and then returns them to the environment.

- a. True
- b. False

ANSWER: True

12. When managers rely on a systems approach to organizations, they start by focusing on material, human, financial, and informational inputs.

- a. True
- b. False

ANSWER: True

13. Providing the best customer support before, during, and after a sale can create goodwill with customers, but it is not likely to give organizations a competitive advantage.

- a. True
- b. False

ANSWER: False

14. Being first to market with a product can enable an organization to gain a competitive advantage.

- a. True
- b. False

ANSWER: True

15. The origins of organizational behavior date back to prehistoric times.

- a. True
- b. False

ANSWER: True

16. The universal approach to organizational behavior suggests that elements of the situation should be evaluated to determine the best way to respond.

- a. True
- b. False

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ANSWER: False

17. Interactionalism suggests individuals and situations interact continuously to determine individuals' behavior.

- a. True
- b. False

ANSWER: True

18. Organizational citizenship refers to the behavior of individuals that makes a positive overall contribution to the organization.

- a. True
- b. False

ANSWER: True

19. Productivity and performance are individual-level behaviors that impact organizational effectiveness.

- a. True
- b. False

ANSWER: True

20. If an organization uses a systems approach, it relies on technology such as manufacturing, operations, and service processes to transform inputs into outputs.

- a. True
- b. False

ANSWER: True

21. Applying a universal perspective, managers try to identify all of the possible ways to solve problems, based on the elements of the situation.

- a. True
- b. False

ANSWER: False

22. By focusing on organizational behavior, businesses can potentially increase job satisfaction and decrease employee absenteeism and turnover.

- a. True
- b. False

ANSWER: True

23. Organizational behavior principles emphasize that since individuals work in isolation, they are not integral to a business's success or failure.

- a. True
- b. False

ANSWER: False

Multiple Choice

24. When organizations focus on the "softer" side of business, including organizational behavior factors, it can lead to

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- a. weaker leadership.
- b. loss of trust among employees.
- c. better relationships with vendors.
- d. more motivated and more engaged employees.
- e. less motivated and less engaged employees.

ANSWER:

d

25. Organizational behavior (OB) typically includes the study of which basic component?

- a. Financial reporting
- b. Research and development
- c. Human actions and interactions within organizations
- d. The task environment
- e. Customer retention

ANSWER:

c

26. Organizational behavior can best be described as

- a. simple.
- b. complex.
- c. confusing.
- d. insignificant.
- e. effortless.

ANSWER:

b

27. Which of the following is NOT a factor that affects the nature of organizational behavior?

- a. The environment surrounding the organization
- b. Individuals' expectations and goals
- c. The organization itself
- d. Formal organizational policies and procedures
- e. Product price levels

ANSWER:

e

28. By focusing on organizational behavior, a business seeks to understand how

- a. organizational systems shape employee behavior.
- b. organizational structures shape employee behavior.
- c. organizational processes shape employee behavior.
- d. organizational decisions shape employee behavior.
- e. All of these are correct.

ANSWER:

e

29. Studies show that listening to employees and building trust with them does what?

- a. Improves organization's earnings
- b. Increases the number of product lines

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- c. Lowers prices
- d. Decreases the number of product lines
- e. Raises prices

ANSWER: a

30. When dealing with people at work, managers must have an understanding of all of the following EXCEPT

- a. leadership.
- b. decision making.
- c. organizational structure and design.
- d. organizational culture.
- e. long-term plans of marketplace competitors.

ANSWER: e

31. Which of the following is NOT a type of resource organizations use when pursuing corporate goals and objectives?

- a. Human
- b. Financial
- c. Physical
- d. Invisible
- e. Information

ANSWER: d

32. Planning is the process of

- a. designing jobs, grouping jobs into units, and establishing patterns of authority between jobs and units.
- b. determining the organization's desired future position and deciding the best way to achieve the desired outcome.
- c. motivating the organization's members to work together toward the organization's goals.
- d. monitoring and correcting the actions of the organization and its members to keep them directed toward their goals.
- e. utilizing organizational resources with the ultimate goal of attaining organizational goals efficiently and effectively.

ANSWER: b

33. A manager who groups jobs into units is performing which of the following functions of management?

- a. Planning
- b. Organizing
- c. Controlling
- d. Supervising
- e. Leading

ANSWER: b

34. When managers strive to motivate employees to work together toward the organization's goals, they are performing which of the following managerial functions?

- a. Synergizing

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- b. Controlling
- c. Leading
- d. Planning
- e. Organizing

ANSWER: c

35. Evaluating employee performance is an example of the managerial function of

- a. leading.
- b. decision making.
- c. organizing.
- d. planning.
- e. controlling.

ANSWER: e

36. A manager fulfills the primary role of a leader by

- a. choosing the best resources to most effectively and efficiently produce the organization's product or service.
- b. verifying the quality of resources that pass through the organization.
- c. determining how organizational resources will be released in the environment.
- d. encouraging workers to increase productivity.
- e. identifying the various suppliers the organization will utilize to acquire resources.

ANSWER: d

37. A manager who schedules regular department meetings to provide relevant information to employees is demonstrating strong

- a. interpersonal skills.
- b. technical skills.
- c. diagnostic skills.
- d. conceptual skills.
- e. leadership skills.

ANSWER: a

38. A manager's ability to develop optimal solutions to problems is evident by her

- a. conceptual skills.
- b. time management skills.
- c. diagnostic skills.
- d. interpersonal skills.
- e. technical skills.

ANSWER: c

39. A manager who recognizes how various tasks within an organization interrelate and contribute toward achieving broad corporate goals is demonstrating strong

- a. problem-solving skills.
- b. diagnostic skills.

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- c. technical skills.
- d. conceptual skills.
- e. interpersonal skills.

ANSWER:

d

40. An engineer who can solve complex mathematical equations is demonstrating strong

- a. interpersonal skills.
- b. problem-solving skills.
- c. conceptual skills.
- d. diagnostic skills.
- e. technical skills.

ANSWER:

e

41. John, a middle manager in a high-tech firm, is able to identify which of the organization's products in development are most likely to appeal to consumers because of his strong

- a. diagnostic skills.
- b. conceptual skills.
- c. technical skills.
- d. interpersonal skills.
- e. All of these are correct.

ANSWER:

b

42. The systems perspective defines a system as

- a. an interrelated set of elements that function as a whole.
- b. a procedure for fair and impartial performance appraisals.
- c. a collection of independent organizations.
- d. the central technology of the organization.
- e. the ideal process to complete any organizational task.

ANSWER:

a

43. All of the following are inputs an organization receives from its environment EXCEPT

- a. money.
- b. materials.
- c. people.
- d. employee behaviors.
- e. information.

ANSWER:

d

44. Following a systems approach, the profit Walmart receives from its services is identified as a type of

- a. technology.
- b. output.
- c. input.
- d. transformation.

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- e. contingency.

ANSWER:

b

45. The systems approach is beneficial to managers because it

- a. underscores the importance of the organization's environment.
- b. provides a set of procedures to make decisions.
- c. enables them to eliminate interactions among various elements of the organization.
- d. reduces the risk of human error.
- e. shifts the focus from outside the company to inside the company.

ANSWER:

a

46. Which perspective argues there's "one best way" to solve a problem in any organization?

- a. The universal perspective
- b. Behavioral organization theory
- c. The systems perspective
- d. The interactional perspective
- e. The contingency perspective

ANSWER:

a

47. Which management perspective states that one leadership style will not always be effective in enhancing employee satisfaction and job performance in every circumstance?

- a. Situational perspective
- b. Classical perspective
- c. Behavioral perspective
- d. Interactional perspective
- e. Universal perspective

ANSWER:

a

48. _____ suggests individuals and situations interact continuously to determine individuals' behavior.

- a. Interactionalism
- b. Contextualism
- c. Universalism
- d. Individualism
- e. Systems theory

ANSWER:

a

49. Which of the following are outcome variables in organizations? **Select all that apply.**

- a. Individual-level behaviors
- b. Group-level behaviors
- c. Team-level behaviors
- d. Surface-level behaviors
- e. None of these are correct

ANSWER:

b

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50. Which of the following is used to measure potentially dysfunctional behavior in an organization?

- a. Absenteeism
- b. Job satisfaction
- c. Job dissatisfaction
- d. Organizational commitment
- e. Employee engagement

ANSWER:

a

51. A person's _____ is a relatively narrow indicator of efficiency measured by the employee's products or services created per unit of input.

- a. productivity
- b. absenteeism
- c. turnover
- d. profitability
- e. cost-effectiveness

ANSWER:

a

52. A _____ provides an organization an edge over rivals.

- a. cultural privilege
- b. business bias
- c. personal talent
- d. competitive advantage
- e. monopoly

ANSWER:

d

53. Successful business strategies enable organizations to create and maintain a competitive advantage that is

- a. inflexible.
- b. sustainable.
- c. volatile.
- d. intangible.
- e. All of these are correct.

ANSWER:

b

54. To gain a competitive advantage, a company must offer

- a. the fewest product options.
- b. the most product options.
- c. the lowest prices.
- d. superior value for the price.
- e. superior customer service.

ANSWER:

d

55. Organizations pursuing a strategy of keeping costs and prices low usually try to develop a competitive advantage

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using which of the following?

- a. Operational excellence
- b. Differentiation
- c. Cost analysis
- d. Employee training
- e. Product innovation

ANSWER:

a

56. Firms that apply a _____ strategy strive to be the lowest cost producer in the industry for a particular level of product quality.

- a. cost leadership
- b. differentiation
- c. specialization
- d. growth
- e. self-sabotaging

ANSWER:

a

57. An organization can gain a competitive advantage through which of the following sources? **Select all that apply.**

- a. Innovation
- b. Speed
- c. Cost
- d. Quality
- e. All of these are correct

ANSWER:

e

58. If a company creates a corporate culture that encourages employees to suggest new ideas, it is applying a strategy that focuses on

- a. cost leadership.
- b. differentiation.
- c. specialization.
- d. growth.
- e. sabotage.

ANSWER:

b

59. Businesses that use a _____ strategy focus on a narrow market segment or niche.

- a. cost leadership
- b. differentiation
- c. specialization
- d. growth
- e. psychological

ANSWER:

c

60. Organizations pursuing a specialization strategy often try to develop a competitive advantage based on

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- a. market concentration.
- b. profit margin.
- c. customer intimacy.
- d. brand recognition.
- e. product placement.

ANSWER:

c

61. Organizations pursuing a differentiation strategy often try to develop a competitive advantage based on product

- a. intervention.
- b. integration.
- c. initiation.
- d. innovation.
- e. integrity.

ANSWER:

d

62. Maximizing the efficiency of the manufacturing or product development process in order to minimize costs is referred to as

- a. managerial skill.
- b. business superiority.
- c. operational excellence.
- d. maintenance strategy.
- e. differentiation.

ANSWER:

c

63. An organization with a competitive advantage due to product innovation would likely seek a core workforce of research and development employees who have

- a. an entrepreneurial mindset.
- b. a shorter-term focus.
- c. a low tolerance for ambiguity.
- d. conservative values.
- e. a high aversion to taking risks.

ANSWER:

a

64. Which of the following strategies focuses on company expansion, either organically or through acquisitions?

- a. Differentiation
- b. Cost leadership
- c. Specialization
- d. Growth
- e. Domination

ANSWER:

d

65. _____ management is based on the belief that productivity is maximized when organizations are rationalized with precise sets of instructions based on time-and-motion studies.

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- a. Scientific
- b. Sociological
- c. Straightforward
- d. Strategic
- e. Stratospheric

ANSWER:

a

66. After World War I, organizations shifted their attention away from scientific management to understanding the role of _____.

- a. managerial corruption
- b. law and politics
- c. gender and sexual harassment
- d. religion and spirituality
- e. human factors and psychology

ANSWER:

e

67. The _____ effect occurs when people improve an aspect of their behavior or performance because they are aware they are being assessed.

- a. Hamilton
- b. Henricks
- c. Hawthorne
- d. Hampton
- e. Hoover

ANSWER:

c

68. Deming's _____ cycle of continuous improvement identifies fourteen principles that make any organization efficient and capable of solving problems.

- a. plan-do-check-act
- b. check-research-study-do
- c. act-interpret-evaluate-plan
- d. do-understand-analyze-plan
- e. research-analyze-evaluate-understand

ANSWER:

a

69. _____ is known as the “guru of quality management.”

- a. Porter
- b. Hofstede
- c. Deming
- d. Geert
- e. None of these are correct

ANSWER:

c

70. Which of the following questions could NOT be answered as a result of organizational behavior research findings?

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- a. What goal level will best motivate my employees?
- b. How important is employee satisfaction to job performance?
- c. Should I seek a promotion with a competing firm?
- d. Is stress always bad?
- e. When are different leadership approaches most effective?

ANSWER:

c

71. The _____ method relies on systematic studies that identify and replicate results using a variety of methods, samples, and settings.

- a. philosophical
- b. statistical
- c. mathematical
- d. scientific
- e. humanist

ANSWER:

d

72. What is the term for a written prediction specifying expected relationships between certain variables?

- a. Hypothesis
- b. Theory
- c. Prophecy
- d. Correlation
- e. Statistic

ANSWER:

a

73. A _____ is a collection of verbal and symbolic assertions that specify how and why two or more variables are related, and the conditions under which they should and should not relate.

- a. hypothesis
- b. theory
- c. data set
- d. fact
- e. statistic

ANSWER:

b

74. Which of the following is an example of a hypothesis?

- a. Setting a goal will be positively related to the number of products assembled.
- b. A researcher found a 0.8 correlation between goal setting and productivity.
- c. Personally, I am more productive when I set goals.
- d. I wonder if there is a relationship between goal setting and productivity.
- e. There is no way to determine whether goal setting is positively or negatively related to productivity.

ANSWER:

a

75. The _____ variable in an experiment is the predictor, which researchers expect is affecting another factor.

- a. dependent

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- b. independent
- c. codependent
- d. interdependent
- e. measured

ANSWER: b

76. The _____ variable in an experiment is the criterion, which researchers expect is affected by another factor.

- a. dependent
- b. independent
- c. codependent
- d. interdependent
- e. control

ANSWER: a

77. A researcher hypothesizes that the age of employees influences their awareness of diversity. In this example, age is the _____ and diversity awareness is the _____.

- a. factor, control
- b. theory, correlation
- c. correlation, theory
- d. independent variable, dependent variable
- e. dependent variable, independent variable

ANSWER: d

78. A _____ reflects the size and strength of the statistical relationship between two variables.

- a. correlation
- b. mean
- c. mode
- d. standard deviation
- e. range

ANSWER: a

79. What letter is used to refer to a correlation?

- a. r
- b. f
- c. p
- d. n
- e. c

ANSWER: a

80. What is the total statistical correlation range?

- a. 0 to 10
- b. 1 to 10
- c. 0 to 100

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- d. -10 to 10
- e. -1 to 1

ANSWER:

e

81. What type of relationship is indicated by a correlation of +0.90?

- a. A strong, positive relationship
- b. A weak, positive relationship
- c. No relationship
- d. A weak, negative relationship
- e. A strong, negative relationship

ANSWER:

a

82. A researcher studying the relationship between age and diversity awareness finds a negative correlation. What do the researcher's results suggest?

- a. As age increases, diversity awareness increases.
- b. As age decreases, diversity awareness decreases.
- c. As age increases, diversity awareness decreases.
- d. A person's age doesn't affect his or her level of diversity awareness.
- e. The study was inconclusive.

ANSWER:

c

83. _____ is a statistical technique used to combine the results of many different research studies conducted in a variety of organizations and for a variety of jobs.

- a. Standard deviation
- b. Path analysis
- c. Analysis of variance
- d. Regression
- e. Meta-analysis

ANSWER:

e

84. An understanding of organizational behavior (OB) is likely to help organizations prevent all of the following EXCEPT

- a. unhappy employees.
- b. weak leadership.
- c. lack of direction.
- d. stagnating profits.
- e. loss of market share.

ANSWER:

e

85. Investing in developing organizational behavior (OB) skills will do all of the following EXCEPT

- a. prepare one to be a more effective employee.
- b. prepare one to be a more effective manager.
- c. prepare one to be a more effective leader.

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- d. help one move up faster in any organization.
- e. help one improve technical skills.

ANSWER:

e

86. The effective management of _____ is key to the creation of a competitive advantage as well as business strategy execution.

- a. people
- b. financial resources
- c. raw materials
- d. distribution channels
- e. communication channels

ANSWER:

a

87. Seline runs a small company that sells medical software. She has devised a process that enables her company to develop new versions of the software quickly and with almost no bugs. However, Seline believes that the success of this process hinges on her company's unique makeup and the type of product it produces; she does not believe that most software companies would be able to use her process to any great effect. Seline's views embody which of the following perspectives?

- a. Scientific
- b. Universal
- c. Situational
- d. Interactional
- e. Pessimistic

ANSWER:

c

88. Which of the following is NOT a facet of human resource management?

- a. Developing incentives to motivate employees
- b. Developing plans to use fewer employees
- c. Creating programs to develop employees' skills
- d. Developing incentives to retain employees
- e. Attracting high-quality employees

ANSWER:

b

89. Scientific management achieved which of the following?

- a. It decreased the monotony of work.
- b. It was eagerly accepted by workers.
- c. It gave workers control over their jobs.
- d. It increased productivity.
- e. It saw wide use for more than a century.

ANSWER:

d

90. Which of the following is NOT a dysfunctional behavior?

- a. Absenteeism

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- b. Asking for a raise
- c. Turnover
- d. Sabotage
- e. Rudeness

ANSWER:

b

91. Turnover occurs when employees

- a. are called to jury duty.
- b. feign illness.
- c. are fired.
- d. resign from their jobs.
- e. are promoted.

ANSWER:

d

92. Which of the following terms refers to behaviors of individuals that make a positive overall contribution to the organization?

- a. Organizational commitment
- b. Organizational citizenship
- c. Affective commitment
- d. Normative commitment
- e. Subjective responsibility

ANSWER:

b

Multiple Response

93. Which of the following is an example of a technical skill? **Select all that apply.**

- a. Identifying which employee survey responses are likely to predict subsequent turnover
- b. Figuring out why the number of quality applicants to a five-star restaurant is decreasing
- c. Coming up with a new product idea that will help your organization dominate a competitive market
- d. Persuading an employee to take on additional work during a busy shift
- e. Ensuring that a piece of medical software is in compliance with HIPAA regulations

ANSWER:

e

94. Which of the following is an example of a diagnostic skill? **Select all that apply.**

- a. Designing a new logo for a major advertising client
- b. Figuring out why the number of quality applicants to a five-star restaurant is decreasing
- c. Deciding whether or not to undertake a risky acquisition
- d. Providing negative feedback to an employee in a way that will correct her behavior without discouraging her
- e. Writing software code for a new search engine

ANSWER:

b

95. Which of the following is an example of an interpersonal skill? **Select all that apply.**

- a. Designing a new logo for a major advertising client

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- b. Figuring out why the number of quality applicants to a five-star restaurant is decreasing
- c. Coming up with a new product idea that will help your organization dominate a competitive market
- d. Persuading an employee to take on additional work during a busy shift
- e. Writing software code for a new search engine

ANSWER: d

96. Which of the following is an example of a conceptual skill? **Select all that apply.**

- a. Selecting which of two mutually exclusive market opportunities to pursue
- b. Deciding whether to undertake a risky acquisition
- c. Developing a new product idea that will help your organization dominate a competitive market
- d. Persuading an employee to take on additional work during a busy shift
- e. Determining which of three CEO candidates has the vision that is most compatible with the needs of the company

ANSWER: a, b, c, e

97. Walmart is famous for exemplifying the cost leadership strategy. Which of the following is Walmart likely NOT to do?

- a. Keep prices as low as possible
- b. Keep expenses as low as possible
- c. Rely heavily on low-wage employees
- d. Automate as few jobs as possible
- e. Automate as many jobs as possible

ANSWER: d

98. Which of the following is an example of a company employing a specialization strategy? **Select all that apply.**

- a. Walmart decides to pressure its suppliers to keep costs as low as possible.
- b. Apple decides to create a phone that is unlike any other phone on the market.
- c. Harley Davidson decides that it will only manufacture motorcycles, not cars or other types of vehicles.
- d. Dunkin' Donuts decides to focus on selling donuts, rather than a variety of baked goods.
- e. Starbucks decides against opening any type of store location other than a coffee shop.

ANSWER: c, d, e

Completion

99. _____ is defined as the study of human behavior in organizational settings, the interface between human behavior and the organization, and of the organization itself.

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100. All organizational successes are the result of _____.

ANSWER: people

101. Organizational behavior (OB) is not a defined business _____ or area of responsibility.

ANSWER: function

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102. By designing jobs and establishing patterns of authority among groups of jobs, a manager performs the _____ managerial function.

ANSWER: organizing

103. _____ is the managerial function that involves motivating employees in an organization to work together toward corporate goals.

ANSWER: Leading

104. Performance evaluation and reward systems are part of the _____ managerial function.

ANSWER: controlling

105. _____ skills allow managers to recognize optimal solutions to problems.

ANSWER: Diagnostic

106. An organizational _____ is an interrelated set of elements functioning as a whole.

ANSWER: system

107. In the systems approach to organizations, products, profits, and employee behaviors are types of _____ that are returned to the organization's environment.

ANSWER: outputs

108. In the systems approach to organizations, managers, office equipment, funds from stockholders, and sales forecasts are examples of _____ from its environment.

ANSWER: inputs

Matching

Match each work outcome to the corresponding organizational behavior concept.

- a. Susan declines a job offer from another company even though it included a higher salary and better benefits.
- b. Lydia takes home two boxes of paper clips per month, on average, for her personal use.
- c. Peter is beloved by his coworkers and boss, but he is actively looking for a higher-paying job.
- d. Hernando voluntarily creates a video guide for his coworkers explaining how to use the company's spreadsheet software.
- e. Bob sells four dining sets per week, on average.

109. productivity

ANSWER: e

110. performance

ANSWER: d

111. organizational commitment

ANSWER: a

Essay

112. Explain why it is important for managers to have a strong understanding of organizational behavior.

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ANSWER: The core of organizational behavior (OB) is being effective at work. Understanding how people behave in organizations and why they do what they do is critical to working effectively with and managing others. OB gives everyone the knowledge and tools they need to be effective at any organizational level. OB is an important topic for anyone who works or who will eventually work in an organization, which is the case for most people.

113. Discuss the four basic management functions and how they relate to organizational behavior.

ANSWER: Managers engage in the four basic functions of planning, organizing, leading, and controlling. These functions are applied to human, financial, physical, and information resources with the ultimate purpose of efficiently and effectively attaining organizational goals. Planning is the process of determining the organization's desired future position and deciding how best to get there. Organizing is the process of designing jobs, grouping jobs into manageable units, and establishing patterns of authority among jobs and groups of jobs. Leading is the process of motivating members of the organization to work together toward the organization's goals. Finally, controlling is the process of monitoring and correcting the actions of the organization and its people to keep them headed toward their goals.

114. Identify and explain two of the contextual perspectives on organizational behavior.

ANSWER: Several contextual perspectives—most notably the systems and contingency perspectives and the interactional view—influence our understanding of organizational behavior. The systems perspective, or the theory of systems, was first developed in the physical sciences. A system is an interrelated set of elements that function as a whole. According to this perspective, an organizational system receives four kinds of inputs from its environment: material, human, financial, and informational. The organization's managers then combine and transform these inputs and return them to the environment in the form of products or services, employee behaviors, profits or losses, and additional information. Then the system receives feedback from the environment regarding these outputs. An example of a systems perspective is any large manufacturing company like Harley-Davidson. Material inputs would be all the parts used to manufacture motorcycles; human inputs are the employees who assemble the motorcycles, office staff, salespeople, etc.; financial inputs would include the money received from sales, stockholder investments, etc.; and information inputs would include things like forecasts about future sales. Outputs would include the motorcycles sold to consumers, profits made for owners, dividends to stockholders, etc.

The contingency perspectives include the situational and universal perspectives. In the universal approach, the organizational problems or situations determine the one best way to respond. In the situational approach, organizational problems or situations must be evaluated in terms of elements of the situation, which then suggest contingent or situational ways of responding. As an example of a situational versus a universal perspective, consider a software production company that developed some new software that works well for it but it does not believe other similar companies would be interested in buying this product. This would be a situational perspective. If the software company did believe other companies could use the product, then it would have a universal perspective.

Interactionalism is another useful perspective to help better understand behavior in organizational settings. Interactionism attempts to explain how people select, interpret, and change various situations. Note that the individual and the situation are presumed to interact continuously. This interaction is what determines the individual's behavior. The interactional view implies that simple cause-and-effect descriptions of organizational phenomena are not enough. For example, one set of research studies may suggest that job changes lead to improved employee attitudes. Other studies may propose that attitudes influence how people perceive their jobs in the first place. Both positions probably are incomplete: Employee attitudes may influence job perceptions, but these perceptions may in turn influence future attitudes.

115. Using the model presented in your text, briefly define the systems approach to organizations. Give examples of each component.

Ch01: An overview of organizational behavior

ANSWER: The systems approach to organizations provides a useful framework for understanding how the elements of an organization interact among themselves and with their environment. Various inputs are transformed into different outputs, with important feedback from the environment. An organizational system receives four kinds of inputs from its environment: material, human, financial, and informational. The organization's managers then combine and transform these inputs and return them to the environment in the form of products or services, employee behaviors, profits or losses, and additional information. Then the system receives feedback from the environment regarding these outputs.

As an example, we can apply systems theory to the ExxonMobil. Material inputs include pipelines, crude oil, and the machinery used to refine petroleum. Human inputs are oil field workers, refinery workers, office staff, and other people employed by the company. Financial inputs take the form of money received from oil and gas sales, stockholder investment, and so forth. Finally, the company receives information inputs from forecasts about future oil supplies, geological surveys on potential drilling sites, sales projections, and similar analyses. Through complex refining and other processes, these inputs are combined and transformed to create products such as gasoline and motor oil. As outputs, these products are sold to the consuming public. Profits from operations are fed back into the environment through taxes, investments, and dividends; losses, when they occur, hit the environment by reducing stockholders' incomes. In addition to having on-the-job contacts with customers and suppliers, employees live in the community and participate in a variety of activities away from the workplace, and their behavior is influenced in part by their experiences as ExxonMobil workers. Finally, information about the company and its operations is also released into the environment. The environment, in turn, responds to these outputs and influences future inputs. For example, consumers may buy more or less gasoline depending on the quality and price of ExxonMobil's product, and banks may be more or less willing to lend ExxonMobil money based on financial information released about the company.

116. Compare and contrast the universal and situational perspectives in organizational behavior.

ANSWER: The universal perspective presumes a direct cause-and-effect linkage between variables. For example, it suggests that whenever a manager encounters a particular problem or situation (such as motivating employees to work harder), a universal approach, "one best way," exists (such as raising pay or increasing autonomy) that will lead to the desired outcome. The situational perspective, on the other hand, acknowledges that several variables alter the direct relationship. In other words, the appropriate managerial action or behavior in any given situation depends on elements of that situation. The field of organizational behavior has gradually shifted from a universal approach in the 1950s and early 1960s to a situational perspective. The situational perspective has been widely documented in the areas of motivation, job design, leadership, and organizational design, and it is becoming increasingly important throughout the entire field.