**CHAPTER 1 EXAM**

Multiple Choice

1) According to Peter Drucker, fulfilling the responsibility as a manager and leader will require which three skills?

a) Surface skills, internal skills, values skills.

b) Technical skills, relational skills, conceptual skills.

c) Surface skills, technical skills, personality skills.

d) Technical skills, critical thinking skills, values skills.

Learning Objective: Analyze the link between organizational behaviour and management

Difficulty: Easy

2) Which scholar felt that the good of the community is assured when every individual is permitted to pursue his or her own self-interested goals?

a) Peter Drucker

b) Adam Smith

c) Aristotle

d) Max Weber

Learning Objective: Discuss the three reasons to study organizational behaviour

Difficulty: Easy

3) Which scholar felt that the purpose of human behaviour is not simply to maximize performance, predictability, short-term profitability and self-interest, but also to maximize happiness?

a) Aristotle

b) Peter Drucker

c) Adam Smith

d) Max Weber

Learning Objective: Discuss the three reasons to study organizational behaviour

Difficulty: Easy

4) Which scholar felt that the pursuit of self-interest takes into account virtues like benevolence, practical wisdom, fairness and self-control?

a) Aristotle

b) Max Weber

c) Adam Smith

d) Peter Drucker

Learning Objective: Discuss the three reasons to study organizational behaviour

Difficulty: Easy

5) The process of planning, organizing, leading and controlling human and other organizational resources towards the achievement of organizational goals is called

a) Organizational Behaviour

b) Sustainable OB

c) Conventional OB

d) Management

Learning Objective: Analyze the link between organizational behavior and management

Difficulty: Easy

6) Which of the following focuses on how managers sets goals and design strategies to achieve them?

a) Planning

b) Leading

c) Organizing

d) Controlling

Learning Objective: Analyze the link between organizational behavior and management

Difficulty: Easy

7) Which of the following focuses on how managers work alongside others to set goals and design strategies?

a) Leading

b) Organizing

c) Controlling

d) Planning

Learning Objective: Analyze the link between organizational behavior and management

Difficulty: Easy

8) Which of the following focuses on arranging human and other organizational resources in order to achieve planned goals and strategies?

a) Planning

b) Leading

c) Organizing

d) Controlling

Learning Objective: Analyze the link between organizational behavior and management

Difficulty: Easy

9) Which of the following focuses on arranging resources but emphasizes a spirit of dignification, experimentation and sensitivity to others’ needs in the process?

a) Organizing

b) Planning

c) Leading

d) Controlling

Learning Objective: Analyze the link between organizational behavior and management

Difficulty: Easy

10) Which of the following uses systems and interpersonal human skills to influence others to achieve organizational goals?

a) Planning

b) Leading

c) Organizing

d) Controlling

Learning Objective: Analyze the link between organizational behavior and management

Difficulty: Easy

11) Which of the following focuses on the development of others and working together to meet mutually accepted organizational goals?

a) Leading

b) Planning

c) Organizing

d) Controlling

Learning Objective: Analyze the link between organizational behavior and management

Difficulty: Easy

12) Which of the following ensures that organizational members do what they are supposed to be doing, and that their performance meets expectations?

a) Planning

b) Controlling

c) Leading

d) Organizing

Learning Objective: Analyze the link between organizational behavior and management

Difficulty: Easy

13) Which of the following ensures that organizational directives are followed and also ensures that values and justice are overseen?

a) Planning

b) Leading

c) Organizing

d) Controlling

Learning Objective: Analyze the link between organizational behavior and management

Difficulty: Easy

14) Which of the following is not one of the “moonshots” applied to OB 2.0?

a) Refocus the source of control

b) Embrace the pathologies of formal hierarchy

c) Redefine the role of leadership

d) Value and leverage diversity

Learning Objective: Analyze the link between organizational behavior and management

Difficulty: Easy

Short Response

15) Define the term organizational behaviour and describe the three key reasons to study organizational behaviour?

Learning Objective: Discuss the three reasons to study organizational behaviour.

Difficulty: Medium

16) Discuss effective organizational behaviour from the two approaches of Conventional OB and Sustainable OB.

Learning Objective: Explain the two effective approaches to organizational behaviour.

Difficulty: Medium

17) How does Max Weber, Adam Smith and Aristotle view Conventional and Sustainable OB?

Learning Objective: Explain the two effective approaches to organizational behaviour.

Difficulty: Medium

18) Compare and contrast the key priorities associated with Conventional and Sustainable OB.

Learning Objective: Explain the two effective approaches to organizational behaviour.

Difficulty: Medium

19) Discuss the emphasis of Conventional and Sustainable OB and further discuss the implications of the two perspectives.

Learning Objective: Explain the two effective approaches to organizational behaviour.

Difficulty: Medium

20) Distinguish between Organizational Behaviour and Management and discuss the four functions of management in relation to Conventional OB and Sustainable OB.

Learning Objective: Analyze the link between organizational behavior and management.

Difficulty: Medium

21) List the “moonshots” that have been identified as being applicable to OB 2.0. Do you agree or disagree with each moonshot? What other “moonshots” do you think are needed for organizations to effectively operate in today’s environment? How can an organization that the students are familiar with, implement each of the “moonshots” in that organization?

Learning Objective: Illustrate the integration of organizational behavior concepts.

Difficulty: Medium

**ANSWER KEY**

**Multiple Choice**

1. B
2. D
3. A
4. C
5. D
6. A
7. D
8. C
9. A
10. B
11. A
12. B
13. D
14. B

**Short Response**

**15) Define the term organizational behaviour and describe the three key reasons to study organizational behaviour?**

***Organizational behaviour*** *(OB) is the discipline that sets out to explain human behaviour in organizations by examining the behaviour of individuals, groups, or all the members of an organization as a whole. First, studying OB helps you to understand yourself. By understanding OB, you can get a better sense of the values and forces that influence your attitudes, feelings, and behaviour. Second, understanding OB can improve the interactions you have with others by providing practical suggestions for influencing and collaborating with them, working in teams, and leading organizations. It also will help you understand the behaviour of your managers, the people you manage, and those who work alongside you in teams or on projects. Third, a strong grasp of OB will allow you to increase your contribution to an organization and prepare you to serve in a management or leadership role, a challenge to which we give particular attention throughout this book.*

**16) Discuss effective organizational behaviour from the two approaches of Conventional OB and Sustainable OB.**

***Effective OB*** *is a behaviour or action is effective if it creates a desired effect or accomplishes a desired goal or outcome. A belief about whether a particular approach to OB is effective will depend on which effects or outcomes you value. A business might define effectiveness as maximizing profitability, while for a government agency it may mean serving the public in a timely fashion. In learning about OB, effectiveness is an important issue that deserves our attention.* ***Conventional OB*** *tends to emphasize what contributes to financial well-being and the interests of a narrow range of stakeholders, whereas S****ustainable OB*** *emphasizes what contributes to multiple forms of well-being (financial, social, ecological, and spiritual) for a broad range of stakeholders.*

**17) How does Max Weber, Adam Smith and Aristotle view Conventional and Sustainable OB?**

*The work of German sociologist Max Weber provides a conceptual framework that helps us to think more carefully about what constitutes “effective” OB. From a conventional perspective, effective OB is primarily about maximizing material or financial benefits for us or a narrow range of stakeholders. The logic behind this view is captured in the popular interpretation of Adam Smith’s “invisible hand” metaphor, which suggests that the good of the community is assured when every individual is permitted to pursue his or her own self-interested goals. Weber acknowledges that this conventional approach has contributed greatly to unprecedented productivity and the creation of financial wealth. Even so, he argues that it ultimately renders a disservice to humankind. In what has become one of the most famous metaphors in all the social sciences, he argues that this approach leaves humankind trapped in an “iron cage,” focusing on a narrow set of materialist-individualist considerations that trump other forms of well-being. He laments that such a focus weakens the human spirit and limits human flourishing.*

*Sustainable OB draws attention to Adam Smith’s earlier, though less famous, work, The Theory of Moral Sentiments. When Smith says everyone should be “perfectly free to pursue his [or her] own interest,” he assumes this pursuit takes into account virtues like benevolence (love), practical wisdom (prudence), fairness (justice), and self-control (temperance). Put differently, Smith’s “invisible hand” is effective only if it is attached to a “virtuous arm.”*

*From an Aristotelian perspective, the purpose of human behaviour is not simply to maximize performance, predictability, and short-term profitability, nor is it to maximize self-interest. Rather, the purpose of human behaviour is to maximize people’s happiness, which Aristotle called the “supreme good.” Happiness is achieved by practicing virtues in community. From a virtue theory approach, sustainable OB is all about modeling and facilitating organizational members practice of four cardinal virtues: practical wisdom, self-control, courage, and justice. In short, sustainable OB seeks to nurture community and happiness by modeling and enabling the practice of virtues in financially viable organizations.*

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**18) Compare and contrast the key priorities associated with Conventional and Sustainable OB.**

*Table 1.1: Understanding Key Priorities*

|  |  |
| --- | --- |
| ***Conventional OB Priorities***  | ***Sustainable OB Priorities***  |
| *Personal focus on self-interest* | *Community focus on community interests* |
| *Performance focus on job, group, and organizational performance* |
| *Predictability focus on what is stable and can be explained* | *Creativity focus on what is dynamic and difficult to explain* |
| *Commitment focus on bonds among people, actions, and organizations* |
| *Short-term Profits focus on relatively immediate productivity and profit* | *Long-term Consequences focus on relatively long-term consequences* |

**19) Discuss the emphasis of Conventional and Sustainable OB and further discuss the implications of the two perspectives.**

***Conventional OB*** *tends to emphasize what contributes to financial well-being and the interests of a narrow range of stakeholders, whereas* ***Sustainable OB*** *emphasizes what contributes to multiple forms of well-being (financial, social, ecological, and spiritual) for a broad range of stakeholders.*

*Both conventional and sustainable approaches offer compelling ideas and examples worth careful consideration. Each is an ideal type**(i.e., fundamental model or theoretical extreme), which does not mean they are the best or “ideal” way of managing, but rather that together they help us think critically about what OB means and how we can apply it.*

*First, allowing the sustainable and conventional approaches to act as two end points can help us better understand the position that we and others occupy on a continuum.*

*Second, understanding one ideal type helps to better understand a second ideal type. We have a deeper understanding of conventional OB if we contrast and compare it with sustainable OB, and vice versa.*

*Third, learning two ideal types of OB adds more complexity and can create tension, but mastering the ability to resist simple answers and explore and integrate opposing ideas or viewpoints is the mark of outstanding managers. In other words, learning two approaches to OB enhances critical thinking, an important skill for business students. In practice, OB is complex and filled with challenges to balance different ideas and values.*

*Fourth, exploring two approaches to OB shows that the actions and practices of organizational members are not value-neutral. It is in fact impossible to develop OB theory that is not based on some set of values. Thus, both the conventional and the sustainable ideal types are value-laden, though each is based on different assumptions about what is valuable. Learning the two approaches enables—even compels—you to think about what your own moral point of view is and about how it can be expressed in the workplace where you spend a significant portion of your life. Studying two ideal types of OB will help you to think about what kind of person or leader you want to become in the future and where on the continuum you fall. It also will help you understand and relate to people who favor a different approach than yours.*

***Teaching Note:*** *One additional idea is to ask students for examples of each perspective from their work or life experiences.*

**20) Distinguish between Organizational Behaviour and Management and discuss the four functions of management in relation to Conventional OB and Sustainable OB.**

***Organizational behaviour*** *(OB) is the discipline that sets out to explain human behaviour in organizations by examining the behaviour of individuals, groups, or all the members of an organization as a whole.* ***Management*** *is the process of planning, organizing, leading, and controlling human and other organizational resources towards the achievement of organizational goals.*

***Planning*** *from a conventional perspective focuses on how managers set goals and design strategies to achieve them. Typically the focus is on how managers plan to improve productivity and profits. A sustainable approach emphasizes how managers work alongside others to set goals and design strategies. Moreover, sustainable managers reach for goals that go beyond profits and productivity, even when such goals are difficult to measure, such as those related to environmental sustainability, human dignity, and happiness. Sustainable OB emphasizes using practical wisdom (prudence), which is exercising foresight, reason, and discretion to achieve what is good for the community. Because a sustainable approach to planning recognizes that individual and community well-being are closely related, members strive to make decisions that reflect the needs of multiple stakeholders (an organization’s members, customers, owners, suppliers, and neighbours).*

***Organizing*** *from a conventional perspective, organizing is arranging human and other organizational resources in order to achieve planned goals and strategies. Basic organizing issues include concepts such as centralization (how much authority people at different organizational levels have), specialization (dividing large, complex tasks into a series of simpler tasks), and standardization (achieving coordination across organizational members). Sustainable organizing includes arranging resources but emphasizes a spirit of dignification, experimentation, and sensitivity to others’ needs in the process.*

***Leading*** *from a conventional perspective, leading uses systems and interpersonal human skills to influence others to achieve organizational goals. Leadership styles or motivational techniques are valued for contributing to maximizing individual productivity. Sustainable leaders seek to develop workplaces where the emphasis on financial and productivity goals is balanced by an emphasis on sustainability and healthy social relationships. Self-control is necessary for fostering other corporate virtues such as caring, gentleness, and compassion. Self-control, sometimes called temperance, relates to a person’s emotional regulation and ability to overcome impulsive actions and greed. Leaders require self-control to use, but not abuse, their power when leading those around them. From a sustainable perspective, leaders take the role of a servant, focusing on the development of others and working together to meet mutually accepted organizational goals.*

***Controlling*** *from a conventional perspective, controlling ensures that organizational members do what they are supposed to be doing and that their performance meets expectations. Control can be achieved through systems that monitor and encourage particular behaviours. For sustainable managers, control goes beyond simply ensuring that organizational directives are followed. Rather, it has much to do with overseeing the values, and particularly the sense of justice, that guide OB.*

***Teaching Note:*** *One additional idea is to ask students for examples of each function from either the Conventional or Sustainable perspective or both, taking these examples from their work or life experiences.*

**21) List the “moonshots” that have been identified as being applicable to OB 2.0. Do you agree or disagree with each moonshot? What other “moonshots” do you think are needed for organizations to effectively operate in today’s environment? How can an organization that the students are familiar with, implement each of the “moonshots” in that organization?**

*The “moonshots” are listed below:*

*Serve a higher purpose. Organizations should devote themselves to the achievement of noble, socially significant goals.*

*Integrate the ideas of community and citizenship in organizational systems. Processes and practices should reflect the importance and interdependence of all stakeholder groups.*

*Abandon the pathologies of formal hierarchy. Replace with natural hierarchies, where power flows up from the bottom and leaders emerge instead of being appointed.*

*Decrease fear and increase trust. Mistrust and fear destroy innovation and engagement and must be replaced in tomorrow’s organizational systems by trust.*

*Refocus the source of control. To transcend the systems of monitoring and top-down control, systems will need to encourage self-control and peer accountability.*

*Value and leverage diversity. Systems and practices must be created that value diversity, disagreement, and divergence as much as conformance, consensus, and cohesion.*

*Redefine the role of leadership. The notion of the leader as a heroic decision maker is unsustainable. Leaders must re-invent themselves as social-systems architects who enable innovation and collaboration.*

***Teaching Note:*** *In addition to the “moonshots” above, students might believe it is necessary and feel passionately about the need to “Redefine the Role of the Employee who is a non-manager /non-supervisor.” Students might also have additional points that they believe are important and should be allowed to express these in their answers. Further, students will have varying examples of how their organization can implement each “moonshot.”*

*This question could also serve as a term project where students have to research and provide example(s) of each of the moonshots, explaining in detail how the organizations engaged in each of the “moonshots” including the additional “moonshots” they have recommended.*