



Chapter 5 - test bank

Organizational Behavior (Prince Mohammad Bin Fahd University)



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Organizational Behavior, Updated 18e, Global Edition (Robbins)
Chapter 5 Perception and Individual Decision Making

1) _____ is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

- A) Sensation
- B) Impression
- C) Apprehension
- D) Attribution
- E) Perception

Answer: E

Explanation: Perception is defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. People's behavior is based on their perception of what reality is, and not on reality itself. What a person perceives can be substantially different from objective reality.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Easy

Quest. Category: Concept

2) Which of the following statements is true regarding perception?

- A) Perception of reality is independent of one's personality.
- B) Our perception of a target is not affected by the context of the situation in which the perception is made.
- C) Our perception of reality can be different from the objective reality.
- D) Our perception of reality is independent of our past experiences.
- E) We form a perception of a target by looking at it in isolation.

Answer: C

Explanation: Our perception of reality can be different from the objective reality. Our perception of reality is affected by our personality, past experiences, and the context of the situation in which the perception is made. We do not look at targets in isolation.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Easy

Quest. Category: Concept

3) When two people witness something at the same time and in the same situation yet interpret it differently, factors that operate to shape their perceptions reside in the _____.

- A) perceivers
- B) target
- C) timing
- D) context
- E) situation

Answer: A

Explanation: Since the time and situation are the same, the factors that operate to shape perception must be in the perceivers themselves. Personal characteristics that can affect perception include perceiver attitudes, personality, motives, interests, past experiences, and expectations.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Easy

Quest. Category: Concept

4) David Myers is of the opinion that people who drive SUVs are rash drivers. He feels that people driving SUVs do not respect road rules and always violate traffic regulations. What personal factor is most likely to be affecting Myers' perception of SUV drivers?

- A) his financial background
- B) his expectations
- C) his interest
- D) his motive
- E) his personality

Answer: B

Explanation: Myers expects all SUV drivers to be dangerous. His expectations are what color his perception. The example doesn't explain why he expects this, although it could be from a previous bad experience.

LO: 5.1: Explain the factors that influence perception.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

5) Extremely attractive or unattractive individuals are most likely to be noticed in a group. Which of the following statements best describes the reason behind this?

- A) Our perception of reality depends on our past experiences.
- B) Our perception of reality depends on our personality.
- C) We don't look at targets in isolation.
- D) The time at which we see an object can influence our perception of the object.
- E) Our motives and expectations affect our perception of a target.

Answer: C

Explanation: Characteristics of the target we observe can affect what we perceive. Loud people are more likely to be noticed in a group than quiet ones. So, too, are extremely attractive or unattractive individuals. Because we don't look at targets in isolation, the relationship of a target to its background influences our perception of the target.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Moderate

Quest. Category: Concept

6) During team meetings, Amber Downing always notices that Rhona Law tends to ask many questions and suggest ideas at each discussion. However, Law stands out in the meetings only because she is the only one making suggestions. If both of them were part of team meetings where almost all members made suggestions and asked questions, Law would not have drawn as much attention from Downing. Which of the following factors has most likely influenced Downing's perception of Law?

- A) expectation
- B) interest
- C) past experience
- D) context
- E) motive

Answer: D

Explanation: A number of factors operate to shape and sometimes distort perception. These factors can reside in the perceiver, in the object or target being perceived, or in the context of the situation in which the perception is made.

LO: 5.1: Explain the factors that influence perception.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

7) Monica Walden feels that people who use plastic bags are insensitive toward the environment. She believes that people have a certain obligation toward their environment and should take it upon themselves to protect and preserve it. Which of the following factors has most likely influenced Walden's perception of plastic bag users?

- A) location
- B) time
- C) characteristic of the target
- D) expectation
- E) context

Answer: D

Explanation: A number of factors operate to shape and sometimes distort perception. These factors can reside in the perceiver, in the object or target being perceived, or in the context of the situation in which the perception is made.

LO: 5.1: Explain the factors that influence perception.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

8) Which of the following is a factor present in a target which may affect a person's perception?

- A) attitude
- B) motive
- C) interest
- D) novelty
- E) experience

Answer: D

Explanation: Factors present in a target which may affect perception are novelty, motion, sound, size, background, proximity, and similarity.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Easy

Quest. Category: Concept

9) Which of the following is a factor present in a situation which may affect a person's perception?

- A) similarity
- B) size
- C) expectation
- D) time
- E) experience

Answer: D

Explanation: Factors present in a situation which may affect perception are work setting, social setting, and time.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Easy

Quest. Category: Concept

10) Which of the following is a factor present in a perceiver which may affect perception?

- A) interest
- B) similarity
- C) sound
- D) proximity
- E) background

Answer: A

Explanation: Factors present in a perceiver which may affect perception are attitudes, motives, interests, experience, and expectations.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Easy

Quest. Category: Concept

11) Alicia Akers works as a marketing executive. She always talks in a high pitch and often draws a lot of attention wherever she is. Which of the following statements best explains the reason behind people noticing Akers?

- A) Perception of reality depends on the perceiver's past experiences.
- B) Perception of reality depends on the perceiver's personality.
- C) Characteristics of the target affect people's perception.
- D) The time at which we observe behavior affects perception.
- E) Motives and interests of the perceiver affects perception of behavior.

Answer: C

Explanation: Characteristics of the target we observe can affect perception. Loud people are more likely to be noticed in a group than quiet ones. Even extremely attractive or unattractive individuals are more likely to be noticed. Since people do not look at targets in isolation, the relationship of a target to its background influences one's perception of the target.

LO: 5.1: Explain the factors that influence perception.

AACSB: Analytical thinking

Difficulty: Easy

Quest. Category: Application

12) People are usually not aware of the factors that influence their view of reality.

Answer: TRUE

Explanation: People are usually not aware of the factors that influence their view of reality. In fact, people are not even that perceptive about their *own* abilities.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Easy

Quest. Category: Concept

13) People's behavior is based on their perception of what reality is, not on reality itself.

Answer: TRUE

Explanation: People's behavior is based on their perception of what reality is, not on reality itself. The world as it is perceived is the world that is behaviorally important.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Easy

Quest. Category: Concept

14) The perception of a target is unaffected by the perceiver's personality or past experiences.

Answer: FALSE

Explanation: A number of factors operate to shape and sometimes distort perception. These factors can reside in the perceiver, in the object or target being perceived, or in the context of the situation in which the perception is made.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Easy

Quest. Category: Concept

15) What is perception? Discuss the factors that influence perception.

Answer: Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. What an individual perceives can be substantially different from objective reality. When people look at a target and attempt to interpret what they see, their interpretation is heavily influenced by personal characteristics such as their attitudes, personality, motives, interests, past experiences, and expectations.

Characteristics of the target also affect perception. Since people do not look at targets in isolation, the relationship of a target to its background also influences perception, as does one's tendency to group close things and similar things together. Context matters as well. The time at which people see an object or event can influence attention, as can location, light, heat, or any number of situational factors.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Moderate

Quest. Category: Concept

16) Explain with an example the contrast effect.

Answer: Evaluation of a person's characteristics that is affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics is known as the contrast effect. We don't evaluate a person in isolation. Our reaction is influenced by other persons we have recently encountered. For example, in a series of job interviews, interviewers can make distortions in any given candidate's evaluation as a result of his or her place in the interview schedule. A candidate is likely to receive a more favorable evaluation if preceded by mediocre applicants and a less favorable evaluation if preceded by strong applicants.

LO: 5.1: Explain the factors that influence perception.

Difficulty: Moderate

Quest. Category: Concept

17) _____ explains the ways in which we judge people differently, depending on the meaning we assign to a given behavior.

- A) Attribution theory
- B) Equity theory
- C) Object relations theory
- D) Attachment theory
- E) Cultural schema theory

Answer: A

Explanation: Attribution theory suggests that when we observe an individual's behavior, we attempt to determine whether it was internally or externally caused. Determination however, depends largely on three factors, namely, distinctiveness, consensus, and consistency.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

18) Attribution theory suggests that when we observe an individual's behavior, we attempt to determine whether it was internally or externally caused. That determination, however, depends largely on three factors. Which of the following is one of these three factors?

- A) traceability
- B) consistency
- C) verifiability
- D) relatedness
- E) affect intensity

Answer: B

Explanation: Attribution theory suggests that when we observe an individual's behavior, we attempt to determine whether it was internally or externally caused. Determination however, depends largely on three factors, namely, distinctiveness, consensus, and consistency.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

19) Which of the following is an example of internally caused behavior?

- A) An employee was late for a team meeting because of a heavy downpour.
- B) An employee was laid off because the company was attempting to cut costs by laying off employees.
- C) An employee was fired from work because he violated a company policy.
- D) An employee could not attend an interview because of a delayed flight.
- E) An employee could not come to work because he met with an accident.

Answer: C

Explanation: Internally caused behaviors are those we believe to be under the personal control of the individual.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

- 20) Which of the following is an example of externally caused behavior?
- A) An employee postpones a meeting because he overslept.
 - B) An employee is late to work because of a punctured tire.
 - C) An employee was fired because he violated a company policy.
 - D) An employee was promoted when he achieved more than the assigned objectives.
 - E) An employee closed a sale with an important corporate client because of his excellent negotiation skills.

Answer: B

Explanation: Externally caused behavior is what we imagine the situation forced the individual to do. For instance, if an employee is late for work, and you attribute his arriving late to an automobile accident or a flat tire, then you are making an external attribution.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

- 21) According to the attribution theory, _____ is one of the three main factors which attempt to determine an individual's behavior.

- A) distinctiveness
- B) perverseness
- C) flexibility
- D) resilience
- E) timorousness

Answer: A

Explanation: Attribution theory suggests that when we observe an individual's behavior, we attempt to determine whether it was internally or externally caused. Determination, however, depends largely on three factors, namely, distinctiveness, consensus, and consistency.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

- 22) When individuals observe another person's behavior, they attempt to determine whether it is internally or externally caused. Which of the following attempts to explain this phenomenon?

- A) Pygmalion effect
- B) emotional dissonance
- C) attribution theory
- D) two-factor theory
- E) framing effect

Answer: C

Explanation: Attribution theory is an attempt to determine whether an individual's behavior is internally or externally caused. We judge people differently, depending on the meaning we attribute to a given behavior. Attribution theory suggests that when we observe an individual's behavior, we attempt to determine whether it was internally or externally caused.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

23) With reference to the attribution theory, which of the following terms indicates the extent to which an individual displays different behaviors in different situations?

- A) flexibility
- B) integrity
- C) consensus
- D) consistency
- E) distinctiveness

Answer: E

Explanation: Distinctiveness is one of three determining factors that contribute to attribution theory perceptions. Distinctiveness refers to whether an individual displays different behaviors in different situations.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

24) If a person responds to a particular situation in the same way over a long time period, then the attribution theory states that the behavior demonstrates _____.

- A) distinctiveness
- B) consensus
- C) consistency
- D) discontinuity
- E) traceability

Answer: C

Explanation: Consistency in a person's actions means that the person responds in the same way to the same situation over a long period of time. For instance, an employee who has not been late for several months is perceived differently from an employee who is late two or three times a week. The regularly late employee demonstrates high consistency in tardiness.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

25) According to the attribution theory, if a behavior scores _____, we tend to attribute it to external causes.

- A) low on distinctiveness
- B) low on adaptability
- C) low on consistency
- D) high on stability
- E) low on consensus

Answer: C

Explanation: Consistency indicates that the person responds the same way over time. The less consistent the behavior, the more we are inclined to attribute it to external causes.

LO: 5.2: Describe attribution theory.

Difficulty: Moderate

Quest. Category: Concept

26) Janice Yoder works in an environmental campaigning organization and often needs to interact with a large team for project implementation activities. However, she always finds it difficult to work as a part of a team. She always seems to have major disagreements with team members which lead to antagonistic relations between them. Though she has moved from one team to another, her relations with colleagues always seem to be hostile and cold. How would the attribution theory describe this behavior?

- A) low on consensus
- B) high on reliability
- C) high on adaptability
- D) high on consistency
- E) low on distinctiveness

Answer: D

Explanation: Consistency in a person's actions means that the person responds the same way over time to the same situation. Yoder has had hostile relationships with colleagues over a long period of time. Thus, her behavior shows consistency.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

27) According to the attribution theory, if everyone who faces a similar situation responds in the same way, we can say the behavior shows _____.

- A) distinctiveness
- B) tractability
- C) consensus
- D) consistency
- E) manageability

Answer: C

Explanation: If everyone who faces a similar situation responds in the same way, we can say the behavior shows consensus.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

28) Janice is late for work each day by about ten minutes. How would attribution theory describe this behavior?

- A) It shows consensus.
- B) It shows similarity.
- C) It shows consistency.
- D) It shows reliability.
- E) It shows distinctiveness.

Answer: C

Explanation: Consistency in a person's actions means that the person responds the same way over time to the same situation. An employee who hasn't been late for several months is perceived differently than an employee who is late two or three times a week. Janice demonstrates high consistency in tardiness.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

29) According to the attribution theory, which of the following behaviors is most likely to be attributed to an external cause?

- A) a behavior that scores high on consensus
- B) a behavior that scores low on distinctiveness
- C) a behavior that scores high on consistency
- D) a behavior that scores low on traceability
- E) a behavior that scores high on rigidity

Answer: A

Explanation: According to the attribution theory, if a behavior scores high on consensus, we tend to attribute it to external causes.

LO: 5.2: Describe attribution theory.

Difficulty: Moderate

Quest. Category: Concept

30) Samantha is never late for work, but last Monday she arrived an hour late because of heavy traffic. According to the attribution theory, Samantha's behavior on that day scores _____.

- A) high on reliability
- B) low on distinctiveness
- C) high on traceability
- D) low on consistency
- E) high on stability

Answer: D

Explanation: If a person responds the same way over time then his or her behavior displays consistency. Since Samantha is generally in the office on time, her behavior scores low on consistency.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

31) Megan Cardova, who works as a sales executive at Orbit Bank, has been failing to meet her sales targets for the last 10 months. Recently, she had a face-to-face discussion with her manager where she said that the unrealistic targets were the reason for her underperformance. The manager, however, noticed that all the other team members were achieving their targets and sometimes were even achieving more than the set numbers. Which of the following is Cardova's behavior most likely to be characterized as according to the attribution theory?

- A) low distinctiveness
- B) high rigidity
- C) high traceability
- D) low consensus
- E) low consistency

Answer: D

Explanation: If everyone who faces a similar situation responds in the same way, we can say that the behavior shows consensus.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

32) According to the attribution theory, if a behavior scores _____, we tend to attribute it to internal causes.

- A) low on consistency
- B) high on rigidity
- C) low on distinctiveness
- D) high on consensus
- E) low on conformity

Answer: C

Explanation: Distinctiveness refers to whether an individual displays different behaviors in different situations. According to the attribution theory, if a behavior scores low on distinctiveness, we tend to attribute it to internal causes.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

33) Which of the following terms best describes the tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others?

- A) fundamental attribution error
- B) bandwagon effect
- C) contrast effect
- D) emotional dissonance
- E) self-fulfilling prophecy

Answer: A

Explanation: The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others is referred to as the fundamental attribution error.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

34) Naomi Fisher, a sales manager at Pure, a water purifier company, had a new member, Leah Marshall, join her team. Though during Leah's interview, Naomi felt she would be a productive sales executive, her performance has often been below the mark. Consistently in the past three months, Leah has been unable to reach her targets and is falling substantially behind on her annual targets. Naomi assumes that Leah is not determined and motivated enough to do what it takes. Which of the following, if true, *weakens* Naomi's assumption?

- A) Leah has often arrived late for team meetings conducted in the morning.
- B) Leah has been assigned a sales territory where consumers are from low income groups.
- C) Leah has good interpersonal skills and gets along well with her customers.
- D) Research showed that the company's largest competitor had a lower turnover than they did.
- E) Naomi recently received feedback from other team members that Leah is often uncooperative.

Answer: B

Explanation: The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others refers to the fundamental attribution error. If Leah is assigned a sales territory where consumers are from low income groups, this shows that she does not necessarily lack the ability to perform and that external constraints are the reason for her underperformance. It thus weakens Naomi's assumption. If Leah often arrives late for meetings, it strengthens Naomi's assumption because it indicates that Leah is not motivated. Good interpersonal skills do not necessarily mean that a person is motivated, and hence, this does not weaken Naomi's assumption. Research showing that the company's largest competitor had a lower turnover than them is irrelevant to the assumption.

LO: 5.2: Describe attribution theory.

AACSB: Reflective thinking

Difficulty: Hard

Quest. Category: Critical Thinking

35) Johanna Murray, a climate campaigner at The National Footprint Foundation, is known in her organization to be a campaigner of caliber and high performance. She recently worked on a campaign against global warming during which she worked extremely hard to achieve project milestones. However, the campaign failed as it could not achieve the desired objective. Due to this, her manager, Brenda Owens, gave her a poor performance appraisal. In the appraisal, Brenda said that Johanna was not motivated and failed to reach out to 25,000 people through Internet media to spread awareness about climate change. Which of the following, if true, *weakens* Brenda's statement?

- A) Johanna lacks experience in publicizing campaigns using Internet media.
- B) Brenda was unable to make time for Johanna to brief her on the tasks involved in carrying out the campaign's media strategy.
- C) Johanna recently moved from the agriculture campaign to the climate campaign.
- D) Johanna's previous job involved an extensive amount of researching on environmental issues.
- E) Brenda is known in the organization to be a fair and unbiased manager.

Answer: B

Explanation: Individuals and organizations tend to attribute their own successes to internal factors such as ability or effort and place the blame for failure on external factors such as bad luck or unproductive co-workers. This is known as a self-serving bias. If Brenda were unable to make time for Johanna to brief her on the tasks involved in carrying out the campaign's media strategy, then this weakens the argument because it shows that it was not entirely Johanna's fault and that Brenda is partly to blame. If Johanna lacks experience in publicizing campaigns using Internet media, it strengthens Brenda's statement. The fact that Johanna recently moved from the agriculture campaign to the climate campaign and that Johanna's previous job involved an extensive amount of researching on environmental issues is irrelevant to Brenda's argument. Brenda's argument is strengthened if she is known to be a fair and unbiased manager because it indicates that her evaluation of Johanna is most likely true.

LO: 5.2: Describe attribution theory.

AACSB: Reflective thinking

Difficulty: Hard

Quest. Category: Critical Thinking

36) Johanna Springer, who works as a sales executive at Pascal's Bank, is upset at the way her manager, Emma Womack, always calls her in for one-on-one meetings to discuss her underperformance. Though Springer makes a higher number of sales calls and works longer hours than last year, her sales figures are still low. She knows that the main reason behind her underperformance is the recent economic meltdown in the country. However, her manager feels that Springer's underperformance is the result of her laid-back attitude and has nothing to do with external factors. In this situation, Womack's behavior is characterized by a(n) _____.

- A) anchoring bias
- B) contrast effect
- C) fundamental attribution error
- D) self-fulfilling prophecy
- E) Pygmalion effect

Answer: C

Explanation: The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others is referred to as the fundamental attribution error.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

37) _____ bias indicates the tendency of an individual to attribute his or her own successes to internal factors while putting the blame for failures on external factors.

- A) Status quo
- B) Self-serving
- C) Distinction
- D) Congruence
- E) Anchoring

Answer: B

Explanation: Individuals and organizations tend to attribute their own successes to internal factors such as ability or effort and place the blame for failure on external factors such as bad luck or unproductive co-workers. This is known as a self-serving bias.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

38) Jane Allen, a campaign manager at a non-profit organization, often takes full credit for project successes even when her team members' contributions play a big role in achieving milestones. However, when projects receive setbacks, she blames her team members and sometimes states that the situation was beyond her control. Allen's behavior is an example of _____ bias.

- A) impact
- B) anchoring
- C) confirmation
- D) distinction
- E) self-serving

Answer: E

Explanation: Individuals and organizations tend to attribute their own successes to internal factors such as ability or effort and place the blame for failure on external factors such as bad luck or unproductive co-workers. This is known as self-serving bias.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

39) Laura Simpson, a campaign manager at a child rights organization in Jakarta, planned a marathon for celebrities to raise money for underprivileged children. Though all arrangements for the event had been made, a few days before the event she realized that on the same day there was a political rally happening in the city which would block access to the route on which the marathon was supposed to be undertaken. In such a situation, what is Simpson, who suffers from self-serving bias, most likely to say?

- A) I did not do sufficient research on public events in the city.
- B) My colleagues did not inform me about the rally.
- C) The director had warned me of this. I should have known better.
- D) I should have weighed feasibility options for the event.
- E) I should have established better contacts to know about this update.

Answer: B

Explanation: Self-serving bias places the blame for failure on external factors such as bad luck or unproductive co-workers rather than taking personal responsibility for the failure.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

40) Individuals engage in _____ because it is impossible for them to assimilate everything they see and can take in only certain stimuli.

- A) selective perception
- B) cognitive dissonance
- C) self-serving bias
- D) emotional labor
- E) self-fulfilling prophecy

Answer: A

Explanation: Any characteristic that makes a person, an object, or an event stand out will increase the probability we will perceive it. Since we can't observe everything going on about us, we engage in selective perception.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

41) You are more likely to notice a car like your own due to _____.

- A) stereotyping
- B) self-serving bias
- C) halo effect
- D) selective perception
- E) contrast effect

Answer: D

Explanation: Because we can't observe everything going on about us, we engage in selective perception. Selective perception allows us to "speed-read" others. Due to selective perception, we are more likely to notice cars like our own.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

42) Harriet Kirby, a fundraising manager at a women's rights organization, experienced a bad incident last year with the public relations manager of a banking company who had committed to sponsor a charity event. The bank backed out at the last minute. This year, when a renowned international bank executive showed interest in sponsoring the organization's upcoming annual event, Kirby rejected their participation. She felt that banks have a casual approach toward charity events and it is risky to involve them in the event. Which of the following best characterizes Kirby's decision?

- A) selective perception
- B) cognitive dissonance
- C) self-serving bias
- D) bandwagon effect
- E) self-fulfilling prophecy

Answer: A

Explanation: Because we cannot assimilate all that we observe, we take in bits and pieces. But we don't choose randomly; rather, we select according to our interests, background, experience, and attitudes. This is known as selective perception.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

43) _____ refers to the tendency of people to draw a general impression about an individual on the basis of a single characteristic.

- A) Confirmation bias
- B) Self-serving bias
- C) Randomness error
- D) Halo effect
- E) Hindsight bias

Answer: D

Explanation: When we draw a general impression about an individual on the basis of a single characteristic, such as intelligence, sociability, or appearance, a halo effect is operating. A single trait is allowed to influence the overall impression of the person being judged.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

44) Amanda Winter worked as a public engagement coordinator at Safe Food Alliance until three months ago when her manager, Laura Morris, promoted her to the position of a sustainable food campaigner. However, soon after this, Laura noticed that Amanda was facing major difficulties in achieving campaign milestones and the project was falling behind schedule due to her lack of performance. Which of the following, if true, would most strengthen the argument that Laura was influenced by the halo effect in her decision to promote Amanda?

- A) Laura is known to micromanage most of her projects.
- B) Laura uses cultural stereotyping in order to speed up the process of decision making.
- C) Laura has made good hiring decisions in the past and is known to be an unbiased judge of character.
- D) Laura sat in on only one of Amanda's presentations prior to giving her the promotion.
- E) Laura worked closely with Amanda over a period of eight months.

Answer: D

Explanation: When we draw a general impression about an individual on the basis of a single characteristic, such as intelligence, sociability, or appearance, a halo effect is operating. A single trait is allowed to influence the overall impression of the person being judged. The fact that Laura sat in on only one of Amanda's presentations prior to giving her the promotion indicates that she was influenced by the skills that Amanda displayed during that single encounter. Her decision was not based on a comprehensive evaluation of Amanda's abilities and performance. The fact that Laura is known to micromanage most of her tasks weakens the argument that Laura experienced the halo effect. The fact that Laura uses cultural stereotyping in order to speed up the process of decision making is irrelevant to the argument because it talks about a halo effect and not cultural stereotyping. If Laura has made good hiring decisions in the past and is known to be an unbiased judge of character, it weakens the argument that she was influenced by the halo effect. If Laura worked closely with Amanda, she is most likely to know her strengths and weaknesses and would not be influenced by the halo effect.

LO: 5.2: Describe attribution theory.

AACSB: Reflective thinking

Difficulty: Hard

Quest. Category: Critical Thinking

45) Which of the following describes the halo effect?

- A) attributing our own successes to internal factors and failures to external factors
- B) judging someone on the basis of our perception of the group to which he or she belongs
- C) interpreting a person's behavior in comparison to others recently encountered
- D) drawing a general impression about an individual on the basis of a single characteristic
- E) underestimating the influence of external factors when making judgments about people

Answer: D

Explanation: We tend to draw a general impression about an individual on the basis of a single characteristic, such as intelligence, sociability, or appearance. This is known as halo effect.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

46) William Davies, a guest relations executive at a five-star deluxe hotel, regularly interacts with bureaucrats, politicians, celebrities, and other prosperous individuals. He feels that all rich people are kind, hardworking, and friendly. Which of the following best characterizes Davies' perception?

- A) confirmation bias
- B) self-serving bias
- C) randomness error
- D) halo effect
- E) hindsight bias

Answer: D

Explanation: When we draw a general impression about an individual on the basis of a single characteristic, such as intelligence, sociability, or appearance, a halo effect is operating. A single trait is allowed to influence the overall impression of the person being judged.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

47) _____ refers to the evaluation of a person's characteristics that is affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.

- A) Halo effect
- B) Contrast effect
- C) Confirmation bias
- D) Stereotyping
- E) Anchoring bias

Answer: B

Explanation: Contrast effect is the evaluation of a person's characteristics that is affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

- 48) Which of the following statements is true regarding a contrast effect?
- A) It attributes success to internal factors and blames failure on external factors.
 - B) It involves judging a person on the basis of perception of the group to which he or she belongs.
 - C) It involves evaluation of a person's characteristics based on comparison with another person.
 - D) It indicates a tendency to draw a general conclusion about a person on the basis of one feature.
 - E) It indicates a tendency to fixate on initial information and fail to accept subsequent data.

Answer: C

Explanation: Contrast effect is the evaluation of a person's characteristics that is affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

49) Jessica recently joined a new company and was first introduced to Michelle, her cubicle neighbor. Michelle came across as amiable and cheerful. During lunch she met another colleague, Carrie, who did not come across as friendly as Michelle. In this situation, Jessica's interpretation of Carrie's personality is most likely to be affected by _____.

- A) confirmation bias
- B) contrast effect
- C) fundamental attribution error
- D) self-serving bias
- E) bandwagon effect

Answer: B

Explanation: Contrast effect is the evaluation of a person's characteristics that is affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

50) Judging someone on the basis of one's perception of the group to which the person belongs is called _____.

- A) confirmation bias
- B) stereotyping
- C) framing effect
- D) self-serving bias
- E) bandwagon effect

Answer: B

Explanation: Stereotyping is defined as judging someone on the basis of one's perception of the group to which that person belongs. Relying on this type of generalization helps a person make decisions quickly.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

51) Which of the following is a shortcut used in judging others by making generalizations?

- A) hindsight bias
- B) randomness error
- C) stereotyping
- D) illusory superiority
- E) telescoping effect

Answer: C

Explanation: Stereotyping is defined as judging someone on the basis of one's perception of the group to which that person belongs. Relying on this type of generalization helps a person make decisions quickly.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

52) Rose Buffay needs to give a presentation to the board of directors of her organization next week. She knows that her presentation will play an important role in her performance appraisal in the next quarter. However, she knows that two of her colleagues, John Roy and Keith Mathews, will also be giving a presentation on the same issue. She is nervous because she believes that men have a better flair for giving presentations. Buffay's perception of Roy and Mathews is most likely characterized by _____.

- A) halo effect
- B) contrast effect
- C) hindsight bias
- D) stereotyping
- E) confirmation bias

Answer: D

Explanation: When people engage in stereotyping, they are judging someone on the basis of their perception of the group to which that person belongs. Buffay is judging all the presenters by their gender group.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

53) A manager believes that he should not hire older workers because they can't learn new skills. This belief is an example of _____.

- A) anchoring bias
- B) fundamental attribution error
- C) confirmation bias
- D) self-serving bias
- E) stereotyping

Answer: E

Explanation: When we judge someone on the basis of our perception of the group to which he or she belongs, we are using the shortcut called stereotyping.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

54) Which of the following terms refers to choices made from among two or more alternatives?

- A) inquiry
- B) decision
- C) perception
- D) intuition
- E) rationalization

Answer: B

Explanation: A decision refers to choices made from among two or more alternatives. Individual decision making is thus an important part of organizational behavior. But the way individuals make decisions and the quality of their choices are largely influenced by their perceptions.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

55) Which of the following terms refers to a situation in which a person inaccurately perceives another person and the resulting expectations cause the other person to behave in ways consistent with the original perception?

- A) confirmation bias
- B) self-fulfilling prophecy
- C) attribution theory
- D) contrast effect
- E) bandwagon effect

Answer: B

Explanation: A situation in which a person inaccurately perceives another person and the resulting expectations cause the other person to behave in ways consistent with the original perception is known as a self-fulfilling prophecy.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

56) Sarah Covington, a sales manager at Synergy Corporation Bank, often keeps low expectations of her team. She feels that they are underqualified for their job and do not have substantial experience to sell a large number of accounts. Covington's team does not feel motivated enough and invariably underperforms and misses targets on a regular basis. Which of the following concepts best explains Covington's team's poor performance?

- A) hindsight bias
- B) self-fulfilling prophecy
- C) confirmation bias
- D) contrast effect
- E) bandwagon effect

Answer: B

Explanation: A situation in which a person inaccurately perceives another person and the resulting expectations cause the other person to behave in ways consistent with the original perception is known as a self-fulfilling prophecy.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

57) Attribution theory tries to explain the ways in which we judge people differently, depending on the meaning we attribute to a given behavior.

Answer: TRUE

Explanation: Attribution theory tries to explain the ways in which we judge people differently, depending on the meaning we attribute to a given behavior.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

58) According to attribution theory, if a behavior scores high on consensus and distinctiveness, we tend to consider it as an internally caused behavior.

Answer: FALSE

Explanation: According to the attribution theory, if a behavior scores high on consensus and distinctiveness, we tend to consider it as an externally caused behavior.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

59) A candidate is likely to receive a more favorable evaluation if preceded by mediocre applicants and a less favorable evaluation if preceded by strong applicants. This is an example of the halo effect.

Answer: FALSE

Explanation: We don't evaluate a person in isolation. Our reaction is influenced by other persons we have recently encountered, and this phenomenon is explained by the contrast effect.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

60) Stereotyping helps individuals make quick decisions through generalizations.

Answer: TRUE

Explanation: Judging someone on the basis of one's perception of the group to which that person belongs is known as stereotyping. For individuals, relying on generalizations every day helps them make decisions quickly; they are a means of simplifying a complex world.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

61) According to attribution theory, the more consistent a behavior, the more we are inclined to attribute it to external causes.

Answer: FALSE

Explanation: According to attribution theory, the more consistent a behavior, the more we are inclined to attribute it to internal causes.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

62) The tendency to draw a general impression about an individual on the basis of a single characteristic is known as the contrast effect.

Answer: FALSE

Explanation: The tendency to draw a general impression about an individual on the basis of a single characteristic is known as the halo effect.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

63) The tendency for individuals to attribute their own successes to internal factors and put the blame for failures on external factors is known as confirmation bias.

Answer: FALSE

Explanation: The tendency for individuals to attribute their own successes to internal factors and put the blame for failures on external factors is known as self-serving bias.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

64) The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others is known as the randomness error.

Answer: FALSE

Explanation: The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others is known as the fundamental attribution error.

LO: 5.2: Describe attribution theory.

Difficulty: Easy

Quest. Category: Concept

65) What is selective perception?

Answer: The tendency to selectively interpret what one sees on the basis of one's interests, background, experience, and attitudes is known as selective perception. Individuals engage in selective perception because it is impossible for them to assimilate everything they see and can take in only certain stimuli. However, they do not choose randomly. Rather, they select according to their interests, background, experience, and attitudes. Selective perception allows them to speed-read others, but not without the risk of drawing an inaccurate picture. Seeing what they want to see, they can draw unwarranted conclusions from an ambiguous situation.

LO: 5.2: Describe attribution theory.

Difficulty: Moderate

Quest. Category: Concept

66) Discuss attribution theory.

Answer: Attribution theory suggests that when we observe an individual's behavior, we attempt to determine whether it was internally or externally caused. That determination, however, depends largely on three factors: (1) distinctiveness, (2) consensus, and (3) consistency. First, distinctiveness refers to whether an individual displays different behaviors in different situations. A behavior high in distinctiveness is more likely to be given an external attribution. Second, if everyone who faces a similar situation responds in the same way, we can say the behavior shows consensus. A behavior high in consensus is more likely to be considered an externally caused behavior. Third, the more consistent the behavior, the more we are inclined to attribute it to internal causes.

LO: 5.2: Describe attribution theory.

Difficulty: Moderate

Quest. Category: Concept

67) Compare the fundamental attribution error and self-serving bias.

Answer: When we make judgments about the behavior of other people, we have a tendency to underestimate the influence of external factors and overestimate the influence of internal or personal factors. This is called the fundamental attribution error. There is also a tendency for individuals to attribute their own successes to internal factors, such as ability or effort, while putting the blame for failure on external factors, such as bad luck or unproductive co-workers. This is called self-serving bias.

LO: 5.2: Describe attribution theory.

Difficulty: Moderate

Quest. Category: Concept

68) Victoria Hastings works as a sales manager at a bank and her behavior is characterized by the fundamental attribution error and halo effect. Explain with the help of an example what Hastings' behavior is most likely to be toward her team in such a situation.

Answer: A person who is characterized by the fundamental attribution error has a tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others. This explains why Hastings, who is characterized by the fundamental attribution error, is most likely to blame her employees for underperformance even when they are achieving reasonable objectives during an economic meltdown. A person who is characterized by the halo effect has a tendency to form a general impression about an individual on the basis of a single characteristic. In this situation, Hastings may assume that a team member is a prospective project manager just because she has strong networking skills. On the other hand, she may form a negative impression about a team member who does not actively participate in meetings as someone who is not dedicated and interested in her job.

LO: 5.2: Describe attribution theory.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Synthesis

69) A(n) _____ refers to a discrepancy between the current state of affairs and some desired state.

A) problem

B) decision

C) instinct

D) intuition

E) perception

Answer: A

Explanation: A problem refers to a discrepancy between the current state of affairs and some desired state. Decision making occurs as a reaction to a problem.

LO: 5.3: Explain the link between perception and decision making.

Difficulty: Easy

Quest. Category: Concept

70) In an interview, information elicited early from an interviewee carries greater weight than information elicited later.

Answer: TRUE

Explanation: Research shows we form impressions of others within a tenth of a second, based on our first glance. If these first impressions are negative, they tend to be more heavily weighted in the interview than if that same information came out later. Most interviewers' decisions change very little after the first four or five minutes of an interview. As a result, information elicited early in the interview carries greater weight than does information elicited later.

LO: 5.3: Explain the link between perception and decision making.

Difficulty: Easy

Quest. Category: Concept

71) Explain the relationship between decision making and perception.

Answer: Individuals in organizations make decisions, choices from among two or more alternatives. Individual decision making is an important part of organizational behavior. But the way individuals make decisions and the quality of their choices are largely influenced by their perceptions. Decision making occurs as a reaction to a problem. That is, a discrepancy exists between the current state of affairs and some desired state, requiring people to consider alternative courses of action. In addition, one person's problem is another person's satisfactory state of affairs. Awareness that a problem exists and that a decision might or might not be needed is a perceptual issue. Every decision requires a person to interpret and evaluate information. A person's perceptions determine which information is relevant and which is not. Throughout the entire decision-making process, perceptual distortions often surface that can bias analysis and conclusions.

LO: 5.3: Explain the link between perception and decision making.

Difficulty: Moderate

Quest. Category: Concept

72) A manager doing performance appraisals gives more weight to recent employee behaviors than to behaviors of six or nine months earlier. This shows that the manager's perception is affected by _____ bias.

A) self-serving

B) availability

C) impact

D) distinction

E) hindsight

Answer: B

Explanation: Availability bias refers to the tendency for people to base their judgments on information that is readily available to them. Availability bias explains why managers doing performance appraisals give more weight to recent employee behaviors than to behaviors of six or nine months earlier.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

73) _____ refers to staying with a decision even when there is clear evidence it's wrong.

A) Escalation of commitment

B) Fundamental attribution error

C) Randomness error

D) Risk aversion

E) Availability bias

Answer: A

Explanation: Escalation of commitment refers to staying with a decision even when there is clear evidence it is wrong.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

74) The tendency to believe falsely, after an outcome of an event is actually known, that one would have accurately predicted that outcome is known as _____ bias.

- A) self-serving
- B) confirmation
- C) impact
- D) hindsight
- E) anchoring

Answer: D

Explanation: Hindsight bias is the tendency to believe falsely, after the outcome is known, that one would have accurately predicted it. Hindsight bias reduces our ability to learn from the past. It lets us think we are better predictors than we are and can make us falsely confident.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

75) Which of the following is a decision-making model that describes how individuals should behave in order to maximize some outcome?

- A) rational decision-making model
- B) flexible decision-making model
- C) distributive decision-making model
- D) associative decision-making model
- E) integrative decision-making model

Answer: A

Explanation: Rational decision-making model refers to a decision-making model that describes how individuals should behave in order to maximize some outcome. It relies on a number of assumptions, including that the decision maker has complete information, is able to identify all the relevant options in an unbiased manner, and chooses the option with the highest utility.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

76) Which of the following statements is true regarding the rational decision-making model?

- A) It takes into consideration the limited information-processing capability of individuals.
- B) It involves constructing simplified models without capturing all their complexity.
- C) It deals with satisficing decisions by seeking solutions that are satisfactory and sufficient.
- D) It assumes that an individual is able to identify all relevant options in an unbiased manner.
- E) It is an unconscious decision-making process created from distilled experience.

Answer: D

Explanation: The rational decision-making model relies on a number of assumptions, including that the decision maker has complete information, is able to identify all the relevant options in an unbiased manner, and chooses the option with the highest utility.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

77) What is the first step in the rational decision-making model?

- A) developing alternatives
- B) defining the problem
- C) identifying the decision criteria
- D) weighing the decision criteria
- E) evaluating the alternatives

Answer: B

Explanation: The rational decision-making model follows a six-step process. The steps are 1) Defining the problem; 2) Identifying the decision criteria; 3) Allocating weights to the criteria; 4) Developing the alternatives; 5) Evaluating the alternatives; and 6) Selecting the best alternative.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

78) Anne Warner, a climate campaigner at an environmental organization, is in charge of implementing a campaign activity where she needs to increase the use of renewable energy in the villages of Vietnam. For her project, she uses the rational decision-making model to implement activities. She has just completed identifying an appropriate criteria for decision making and has allocated weights to the criteria. Which of the following is Warner most likely to undertake next according to the model?

- A) develop options of wind, solar, and hydro energy
- B) analyze the problems of the project
- C) determine goals of the project
- D) select hydro energy as the best option
- E) weigh advantages between solar and wind energy

Answer: A

Explanation: The rational decision-making model follows a six-step process. The steps are 1) Define the problem; 2) Identify the decision criteria; 3) Allocate weights to the criteria; 4) Develop the alternatives; 5) Evaluate the alternatives; and 6) Select the best alternative. Anne should now develop various alternative solutions.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

79) With reference to decision making, which of the following does satisficing involve?

- A) weighing each criteria before making a decision
- B) seeking solutions that are satisfactory and sufficient
- C) scrutinizing and evaluating each alternative in detail
- D) selecting the best option with the highest utility
- E) finding optimal solutions to problems

Answer: B

Explanation: The limited information-processing capability of human beings makes it impossible to assimilate and understand all the information necessary to optimize. In addition, many problems likely do not have an optimal solution because they are too complicated to be broken down into the parameters of the rational decision-making model. Hence, people satisfice, that is, they seek solutions that are satisfactory and sufficient.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Moderate

Quest. Category: Concept

80) Emily Boyce, a project manager at an insurance firm, regularly satisfices while making decisions. She often comes across complicated problems which would take a long time to resolve. Due to the pressing deadlines, she often meets project goals by satisficing a large number of her decisions. Which of the following is Boyce most likely to do?

- A) seek complete information while making decisions
- B) search for solutions that are reasonable
- C) identify all possible options to solutions
- D) analyze each alternative in an unbiased manner
- E) choose the optimal solution to each problem

Answer: B

Explanation: The limited information-processing capability of human beings makes it impossible to assimilate and understand all the information necessary to optimize. In addition, many problems likely do not have an optimal solution because they are too complicated to be broken down into the parameters of the rational decision-making model. Hence, people satisfice, that is, they seek solutions that are satisfactory and sufficient.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

81) A process of making decisions by constructing simplified models that extract the essential features from problems without capturing all their complexity is known as _____.

- A) optimal decision making
- B) intuitive decision making
- C) bounded rationality
- D) active selection
- E) incremental decision making

Answer: C

Explanation: The human mind cannot formulate and solve complex problems with full rationality. Thus, they operate within the confines of bounded rationality. The process of making decisions by constructing simplified models that extract the essential features from problems without capturing all their complexity is known as bounded rationality.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

82) _____ bias refers to the tendency for people to base their judgments on information that is easily accessible.

- A) Anchoring
- B) Availability
- C) Overconfidence
- D) Confirmation
- E) Hindsight

Answer: B

Explanation: Availability bias refers to the tendency for people to base their judgments on information that is readily available to them.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

83) Which of the following types of biases is most likely to play a significant role during a negotiation?

- A) impact bias
- B) normalcy bias
- C) distinction bias
- D) anchoring bias
- E) status quo bias

Answer: D

Explanation: Any time a negotiation takes place, so does anchoring. For example, when a prospective employer asks how much you made in your prior job, your answer typically anchors the employer's offer.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

84) _____ is an unconscious process created from distilled experience.

- A) Process consultation
- B) Action research
- C) Intuitive decision making
- D) Active selection
- E) Emotional intelligence

Answer: C

Explanation: Intuitive decision making is an unconscious process created from distilled experience. Intuitive decision making occurs outside conscious thought, relies on holistic associations, is fast, and engages in emotions.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

85) Which of the following is true about intuitive decision making?

- A) It is a slow process of decision making.
- B) It is devoid of emotions.
- C) It is the most rational way of making a decision.
- D) It occurs within conscious thought.
- E) It involves making decisions based on distilled experience.

Answer: E

Explanation: Intuition refers to an unconscious process created out of distilled experience. It occurs outside conscious thought and relies on holistic associations, or links between disparate pieces of information. It is fast and is affectively charged, meaning it usually engages the emotions.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Moderate

Quest. Category: Concept

86) Phyllis Stintson needs to decide whether to start a campaign against deforestation in Indonesia. Though her research team has provided substantial information on the high feasibility of the project, Stintson does not go ahead with the project. If Stintson made her decision by drawing unconscious references from several different experiences in the past, her decision is most likely influenced by which of the following?

- A) optimization
- B) intuition
- C) fundamental attribution error
- D) framing effect
- E) anchoring bias

Answer: B

Explanation: Intuition is a highly complex and highly developed form of reasoning that is based on years of experience and learning. The key to using intuition in decision making is neither to abandon nor to rely solely on intuition, but to supplement it with evidence and good judgment.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Application

87) Jeanne Edwards works as a campaign manager at Rainforest Alliance Trust, a forest protection organization in Indonesia. She is currently working on the Palm Oil Campaign, which aims to establish stringent laws against companies which aggravate deforestation by extracting palm oil for commercial use. Her role is to establish allies with other forest protection organizations and companies which use eco-friendly products that set good examples for other companies to follow. Jeanne allied with Griffin and Powell, a large multinational company, which, unknown to Jeanne, also has strong ties with local logging groups in Jakarta. Which of the following, if true, would strengthen the argument that Jeanne had an availability bias while establishing an ally with the company?

- A) Griffin and Powell ensures that all their CSR initiatives on forests are regularly and substantially publicized.
- B) Jeanne has adequate experience in leading such campaigns.
- C) Jeanne is well acquainted with various research techniques.
- D) Jeanne has access to environmental records maintained by the Information Ministry.
- E) Rainforest Alliance Trust has strong networks with local environmental research organizations.

Answer: A

Explanation: The tendency for people to base their judgments on information that is readily available to them refers to availability bias. If Griffin and Powell ensures that all their corporate social responsibility (CSR) initiatives on forests are regularly and substantially publicized, then this supports the argument that Jeanne has availability bias and made her decision to ally with the company after learning about their CSR initiatives. If Jeanne has adequate experience in leading such campaigns and is well acquainted with various research techniques, it weakens the argument because it would mean that she would tend to be unbiased while making decisions. If Jeanne has access to environmental records maintained by the Information Ministry, it would imply that she has access to a wide range of information and would not make a decision based on readily available information. If the Rainforest Alliance Trust has strong networks with local environmental research organizations, then this would also mean that Jeanne has access to a wide range of information and would not make a decision based on readily available information.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

AACSB: Reflective thinking

Difficulty: Hard

Quest. Category: Critical Thinking

88) Johanna Murray, a climate campaigner at The National Footprint Foundation, is known in her organization to be a campaigner of caliber and high performance. She has strong networks with the Ministry of Environment and allies with several environmental organizations in the country. Over the years, she has gained substantial knowledge on the issue of climate change. However, recently when she prepared a consolidated report on a conference she attended on climate change, it reflected major loopholes and limited information from the conference. Which of the following, if true, substantiates that Johanna had anchoring bias?

- A) Johanna was moved by the arguments put forth by the first speaker.
- B) Johanna participated actively in the interactive session conducted at the end.
- C) The speakers at the conference consisted of renowned environmental scientists and activists.
- D) Johanna has attended several conferences where the panel consisted of eminent scientists.
- E) Johanna was shocked by the startling facts shown during the concluding session.

Answer: A

Explanation: A tendency to fixate on initial information, from which one then fails to adequately adjust for subsequent information, refers to anchoring bias. If Johanna were moved by the arguments put forward by the first speaker, then this supports the argument that she had anchoring bias because this may have led her to prepare a report which had limited information and focused on initial parts of the conference. If Johanna participated actively in the interactive session conducted at the end, then this works against the argument. It is irrelevant to the argument that the speakers at the conference consisted of renowned environmental scientists and activists. If Johanna has attended several conferences where the panel consisted of eminent scientists, it works against the argument because it indicates that she is used to attending similar conferences and not overwhelmed by the presence of eminent scientists. Hence, this weakens the argument. Johanna being shocked by the startling facts shown during the concluding session weakens the argument as it shows that she did not fixate only on the information presented at the beginning of the conference.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

AACSB: Reflective thinking

Difficulty: Hard

Quest. Category: Critical Thinking

89) A person's tendency to believe he or she can predict the outcome of random events is known as the self-serving bias.

Answer: FALSE

Explanation: Our tendency to believe we can predict the outcome of random events is the randomness error.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

90) Escalation of commitment refers to staying with a decision even when there is clear evidence it's wrong.

Answer: TRUE

Explanation: Escalation of commitment refers to staying with a decision even when there is clear evidence it is wrong.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

91) The rational decision-making model takes into consideration the fact that all information pertaining to a problem might not be available to the decision maker.

Answer: FALSE

Explanation: The rational decision-making model relies on a number of assumptions, including that the decision maker has complete information, is able to identify all the relevant options in an unbiased manner, and chooses the option with the highest utility.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

92) What is bounded rationality? How is it related to decision making?

Answer: The capacity of the human mind for formulating and solving complex problems is far too small to meet the requirements for full rationality. Thus, individuals operate within the confines of bounded rationality. They construct simplified models that extract the essential features from problems without capturing all their complexity. Individuals can then behave rationally within the limits of the simple model. Once the limited set of alternatives is identified, the decision maker will begin reviewing it. But the review will not be comprehensive. Instead, the decision maker will begin with alternatives that differ only in a relatively small degree from the choice currently in effect. Following along familiar and well-worn paths, the decision maker proceeds to review alternatives only until he or she identifies an alternative that is good enough. The first alternative that meets the "good enough" criterion ends the search. Thus, the final solution represents a satisficing choice rather than an optimum one.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Moderate

Quest. Category: Concept

93) What is anchoring bias?

Answer: Anchoring bias is a tendency to fixate on initial information and fail to adequately adjust for subsequent information. It occurs because our mind appears to give a disproportionate amount of emphasis to the first information it receives. Anchors are widely used by people in professions in which persuasion skills are important—advertising, management, politics, real estate, and law.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

94) Describe confirmation bias.

Answer: The rational decision-making process assumes we objectively gather information. But we don't. We selectively gather it. Confirmation bias represents a specific case of selective perception: we seek out information that reaffirms our past choices, and we discount information that contradicts them. We also tend to accept at face value information that confirms our preconceived views, while we are critical and skeptical of information that challenges them. Therefore, the information we gather is typically biased toward supporting views we already hold. We even tend to seek sources most likely to tell us what we want to hear, and we give too much weight to supporting information and too little to contradictory.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Moderate

Quest. Category: Concept

95) What is escalation of commitment? Explain.

Answer: Escalation of commitment refers to staying with a decision even when there is clear evidence it is wrong. Individuals escalate commitment to a failing course of action when they view themselves as responsible for the failure. People who carefully gather and consider information consistent with the rational decision-making model are more likely to engage in escalation of commitment than those who spend less time thinking about their choices. They are more likely to have invested so much time and energy into making their decisions that they have convinced themselves they are taking the right course of action and do not update their knowledge in the face of new information.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Moderate

Quest. Category: Concept

96) Explain hindsight bias.

Answer: Hindsight bias is the tendency to believe falsely, after the outcome is known, that we'd have accurately predicted it. When we have accurate feedback on the outcome, we seem pretty good at concluding it was obvious. Hindsight bias reduces our ability to learn from the past. It lets us think we're better predictors than we are and can make us falsely confident.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Easy

Quest. Category: Concept

97) What is intuitive decision making? Explain.

Answer: Intuitive decision making is an unconscious process created from distilled experience. It occurs outside conscious thought and relies on holistic associations, or links between disparate pieces of information. It is fast and is affectively charged, which means that it usually engages the emotions. While intuition is not rational, it is not necessarily wrong. Nor does it always contradict rational analysis. Instead, the two can complement each other. In certain instances, relying on intuition can improve decision making. But it is important not to rely on it too heavily. This is because it is unquantifiable and thus it is hard to know when our hunches are right or wrong. The key is neither to abandon nor rely solely on intuition, but to supplement it with evidence and good judgment.

LO: 5.4: Contrast the rational model of decision making with bounded rationality and intuition.

Difficulty: Moderate

Quest. Category: Concept

98) The tendency to seek out information that reaffirms past choices and to discount information that contradicts past judgments is known as _____ bias.

- A) distinction
- B) omission
- C) impact
- D) confirmation
- E) anchoring

Answer: D

Explanation: Confirmation bias represents a specific case of selective perception. People seek out information that reaffirms past choices and discount information that contradicts them. They also tend to accept at face value information that confirms their preconceived views, while they are critical and skeptical of information that challenges these views.

LO: 5.5: Explain how individual differences and organizational constraints affect decision making.

Difficulty: Easy

Quest. Category: Concept

99) _____ bias is a tendency to fixate on initial information and fail to adequately adjust for subsequent information.

- A) Hindsight
- B) Overconfidence
- C) Anchoring
- D) Availability
- E) Self-serving

Answer: C

Explanation: Anchoring bias is a tendency to fixate on initial information and fail to adequately adjust for subsequent information. It occurs because our mind appears to give a disproportionate amount of emphasis to the first information it receives.

LO: 5.5: Explain how individual differences and organizational constraints affect decision making.

Difficulty: Easy

Quest. Category: Concept

100) An organization's reward system influences decision makers by suggesting which choices have better personal payoffs.

Answer: TRUE

Explanation: An organization's reward system influences decision makers by suggesting which choices have better personal payoffs. If the organization rewards risk aversion, managers are more likely to make conservative decisions.

LO: 5.5: Explain how individual differences and organizational constraints affect decision making.

Difficulty: Easy

Quest. Category: Concept

101) Women are more likely than men to overanalyze problems before making a decision and to rehash a decision once made.

Answer: TRUE

Explanation: Twenty years of study find women spend much more time than men analyzing the past, present, and future. They're more likely to overanalyze problems before making a decision and to rehash a decision once made.

LO: 5.5: Explain how individual differences and organizational constraints affect decision making.

Difficulty: Easy

Quest. Category: Concept

102) Men make better decisions than women.

Answer: FALSE

Explanation: Who makes better decisions, men or women? It depends on the situation. When the situation isn't stressful, decision making by men and women is about equal in quality. In stressful situations, it appears that men become more egocentric and make more risky decisions, while women become more empathetic and their decision making improves.

LO: 5.5: Explain how individual differences and organizational constraints affect decision making.

Difficulty: Easy

Quest. Category: Concept

103) An individual's cultural background can influence the selection of problems, the depth of analysis, the importance placed on logic and rationality, and whether organizational decisions should be made autocratically by an individual manner or collectively in groups.

Answer: TRUE

Explanation: The cultural background of a decision maker can influence the selection of problems, the depth of analysis, the importance placed on logic and rationality, and whether organizational decisions should be made autocratically by an individual manner or collectively in groups.

LO: 5.5: Explain how individual differences and organizational constraints affect decision making.

AACSB: Diverse and multicultural work environments

Difficulty: Moderate

Quest. Category: Concept

104) Explain the effect of gender on decision making.

Answer: Research on rumination offers insights into gender differences in decision making. Rumination refers to reflecting at length. In terms of decision making, it means overthinking problems. Twenty years of study find women spend much more time than men analyzing the past, present, and future. They're more likely to overanalyze problems before making a decision and to rehash a decision once made. This can lead to more careful consideration of problems and choices. However, it can make problems harder to solve, increase regret over past decisions, and increase depression. Women are nearly twice as likely as men to develop depression.

LO: 5.5: Explain how individual differences and organizational constraints affect decision making.

Difficulty: Moderate

Quest. Category: Concept

105) According to the concept of _____, decisions are made solely on the basis of their outcomes, ideally to provide the greatest good for the greatest number.

- A) utilitarianism
- B) selective perception
- C) self-fulfilling prophecy
- D) halo effect
- E) contrast effect

Answer: A

Explanation: According to the ethical yardstick of utilitarianism, decisions are made to provide the greatest good for the greatest number. In this system, decisions are made solely on the basis of their outcomes.

LO: 5.6: Contrast the three ethical decision criteria.

Difficulty: Easy

Quest. Category: Concept

106) An area of study that analyzes how people behave when confronted with ethical dilemmas is _____.

- A) the halo effect
- B) behavioral ethics
- C) hindsight bias
- D) positivity offset
- E) selective perception

Answer: B

Explanation: An area of study that analyzes how people behave when confronted with ethical dilemmas is behavioral ethics.

LO: 5.6: Contrast the three ethical decision criteria.

Difficulty: Easy

Quest. Category: Concept

107) Individuals who report unethical practices by their employer to outsiders are known as _____.

- A) change agents
- B) boundary spanners
- C) early adopters
- D) whistle-blowers
- E) free riders

Answer: D

Explanation: Whistle-blowers are individuals who reveal an organization's unethical practices to the press or government agencies, using their right to free speech.

LO: 5.6: Contrast the three ethical decision criteria.

Difficulty: Easy

Quest. Category: Concept

108) A focus on utilitarianism creates an environment that hinders productivity and efficiency.

Answer: FALSE

Explanation: The first ethical yardstick is utilitarianism, which proposes making decisions solely on the basis of their outcomes, ideally to provide the greatest good for the greatest number. This view dominates business decision making. It is consistent with goals such as efficiency, productivity, and high profits.

LO: 5.6: Contrast the three ethical decision criteria.

Difficulty: Easy

Quest. Category: Concept

109) Explain how stereotyping can cause problems for some managers when making ethical decisions. Provide an example.

Answer: One of the criterion of ethical decision making is to focus on individual rights. Thus, the use of stereotyping would affect the ethical decision-making process. The focus on rights calls on individuals to make decisions consistent with fundamental liberties and privileges as set forth in documents like the Bill of Rights. An emphasis on rights in decision making means respecting and protecting the basic rights of individuals. If a manager engages in stereotyping, for example, believing that all women are less productive than men, he may be inclined to base organizational decisions on this stereotype. When an important project or promotion comes up, the manager would always be inclined to reward men over women.

LO: 5.6: Contrast the three ethical decision criteria.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Synthesis

110) What are the three ethical decision criteria? Explain.

Answer: The first ethical yardstick is utilitarianism, which proposes making decisions solely on the basis of their outcomes, ideally to provide the greatest good for the greatest number. This view dominates business decision making. It is consistent with goals such as efficiency, productivity, and high profits. Another ethical criterion is to make decisions consistent with fundamental liberties and privileges, as set forth in documents such as the Bill of Rights. An emphasis on rights in decision making means respecting and protecting the basic rights of individuals, such as the right to privacy, free speech, and due process. A third criterion is to impose and enforce rules fairly and impartially to ensure justice or an equitable distribution of benefits and costs. Union members typically favor this view. It justifies paying people the same wage for a given job regardless of performance differences and using seniority as the primary determination in layoff decisions.

LO: 5.6: Contrast the three ethical decision criteria.

Difficulty: Moderate

Quest. Category: Concept

111) Which of the following is a component of the three-component model of creativity?

A) expertise

B) logical thinking skills

C) extrinsic task motivation

D) intuition

E) analytical skills

Answer: A

Explanation: Expertise is the foundation for all creative work. The potential for creativity is enhanced when individuals have abilities, knowledge, proficiencies, and similar expertise in their field of endeavor.

LO: 5.7: Describe the three-stage model of creativity.

Difficulty: Easy

Quest. Category: Concept

112) Describe and explain the causes of creative behavior.

Answer: Creative behavior is a result of creative potential and a creative environment.

Intelligence is related to creativity. Intelligence and Creativity: Smart people are more creative because they are better at solving complex problems. Personality and Creativity: Openness to experience, proactive personality, self-confidence, risk taking, tolerance and ambiguity, and perseverance are all traits of creative people. Expertise and Creativity: Expertise is the foundation for all creative work and thus is the single most important predictor of creative potential. Ethics and Creativity: Creativity is not correlated with ethicality.

LO: 5.7: Describe the three-stage model of creativity.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Synthesis

113) Explain the three components of creativity. Name two biases and give examples of how they would affect creativity.

Answer: The three-component model of creativity proposes that individual creativity essentially requires expertise, creative-thinking skills, and intrinsic task motivation.

a) Expertise is the foundation for all creative work. The potential for creativity is enhanced when individuals have abilities, knowledge, proficiencies, and similar expertise in their field of endeavor.

b) The second component is creative-thinking skills. This encompasses personality characteristics associated with creativity, the ability to use analogies, as well as the talent to see the familiar in a different light.

c) The final component is intrinsic task motivation. This is the desire to work on something because it is interesting, involving, exciting, satisfying, or personally challenging. This motivational component is what turns creativity potential into actual creative ideas. It determines the extent to which individuals fully engage their expertise and creative skills.

A manager could hinder creativity by engaging in overconfidence bias. A creative person in an office where the manager is confident that his decisions are always correct would be less inclined to offer ideas. In addition, a manager that often engages in confirmation bias would only be looking for answers that support his ideas, and a creative person would be less inclined to participate or offer ideas.

LO: 5.7: Describe the three-stage model of creativity.

AACSB: Analytical thinking

Difficulty: Moderate

Quest. Category: Synthesis