

Question Paper

Organizational Behavior – II (MB1B2): October 2008

- Answer all 100 questions.
- Each question carries one mark.

1. The importance of negotiation has considerably increased in recent times with the emergence of work teams and matrix structures. In which of the following negotiation styles, controlling orientation exists? [<Answer>](#)
- (a) Compromise
 - (b) Accommodating
 - (c) Bargaining
 - (d) Dominating
 - (e) Win-Win.
2. Feldman identified two major dimensions of creativity i.e., divergent thinking and cognitive complexity. In this regard, which of the following statements are **true**? [<Answer>](#)
- I. Divergent thinking is in contrast to the conventional concept of convergent thinking.
 - II. In divergent thinking, responses are influenced by the knowledge and rational logic of the individual.
 - III. Convergent thinking refers to an individual's ability to develop innovative but relevant responses to given questions or problems.
 - IV. Ideas generated by divergent thinking are generally novel and sometimes appear irrational.
- (a) Both (I) and (II) above
 - (b) Both (I) and (III) above
 - (c) Both (I) and (IV) above
 - (d) Both (II) and (III) above
 - (e) (I), (II) and (III) above.
3. In a highly competitive environment, the purpose of which of the following kinds of rumors is to create disturbances both within the organization and in the industry at large? [<Answer>](#)
- (a) Wish fulfillment
 - (b) Home stretchers
 - (c) Anxiety rumors
 - (d) Premeditated rumors
 - (e) Curiosity rumors.
4. Harold is the regional sales manager of a hospital supplies firm. He has decided to give a free trip for two to Bermuda to the salesperson who made the highest sales at yearend. Each sales associate has his/her own sales territory. Harold has studied organizational behavior and he knows that this trip contest may raise conflict among the sales associates, but he estimates that regional sales may increase as much as 25 percent with this incentive. This is an example of [<Answer>](#)
- (a) Intrapersonal conflict
 - (b) Functional outcomes
 - (c) Interpersonal conflict
 - (d) Dysfunctional outcomes
 - (e) Intergroup conflict.
5. Which of the following statements is/are **not true** regarding group dynamics? [<Answer>](#)
- I. The various interactions that take place among the members of a group comprise group dynamics.
 - II. The normative view discusses how groups are formed, their structure and processes, and their functioning.
 - III. Group dynamics consists of a set of techniques including role-plays, brainstorming, sensitivity training, etc.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) All (I), (II) and (III) above.

6. Which of the following types of departmentalization reduces the conflicts that occur in functional departmentalization? [<Answer>](#)
- (a) Departmentalization by hierarchy
 - (b) Departmentalization by product
 - (c) Departmentalization by geography
 - (d) Departmentalization by customer
 - (e) Departmentalization by process.
7. Jahnvi knows that every time stock drops below a set level, she needs to place an order for more with the firm's supplier. Jahnvi is [<Answer>](#)
- (a) Making programmed decisions
 - (b) Experiencing uncertainty
 - (c) Making non-programmed decisions
 - (d) Experiencing risk
 - (e) Using a decision rule.
8. When different groups are required to work together, the success or failure of their efforts is dependant on the cordial relations and the coordination achieved between them. When two or more groups function independently but their output needs to be combined to achieve the overall objectives of the organization, the groups are said to have [<Answer>](#)
- (a) Distributive interdependence
 - (b) Pooled interdependence
 - (c) Integrative interdependence
 - (d) Sequential interdependence
 - (e) Reciprocal interdependence.
9. Illegitimate political behavior is extreme in nature and does not keep to the accepted level of politicking. Which of the following is **not** an example of illegitimate political behavior? [<Answer>](#)
- (a) Deliberately breaking rules
 - (b) Ignoring rules and procedures
 - (c) Absconding from work
 - (d) Whistle blowing
 - (e) Sabotaging organizational activities.
10. Which of the following indicates the significance of the involvement of all organizational members in achieving success for the organization and the importance of ensuring the participation of all its members in fostering a positive organizational culture? [<Answer>](#)
- (a) Empowerment processes
 - (b) Visioning processes
 - (c) Collaborative management
 - (d) Learning processes
 - (e) Empirical-rational strategy.
11. Mr. Zayed was recently looking at his company's organization chart in an attempt to discover who reports to whom. Mr. Zayed is studying his organization's [<Answer>](#)
- (a) Degree of formalization
 - (b) Amount of differentiation
 - (c) Degree of centralization
 - (d) Chain of command
 - (e) Division of labor.

12. Which of the following statements are **true** regarding distributive bargaining approach? [<Answer>](#)
- I. The distributive bargaining approach is based on the assumption that there exists one or more solutions to a problem.
 - II. Distributive bargaining assumes that there can be no solution that satisfies both parties.
 - III. Distributive bargaining leads to win-win situations.
 - IV. Distributive bargaining approach leads to win-lose situations.
- (a) Both (I) and (II) above
 - (b) Both (I) and (III) above
 - (c) Both (II) and (III) above
 - (d) Both (II) and (IV) above
 - (e) Both (III) and (IV) above.
13. The 'Breakthrough Strategy' consists of eight fundamental stages for achieving Six Sigma performance in a process, unit or a company. Which of the following is **not** one of the eight fundamental stages? [<Answer>](#)
- (a) Define
 - (b) Initialize
 - (c) Analyze
 - (d) Improve
 - (e) Control.
14. Reward power is based on B's belief that A has the ability to grant rewards to B. Which of the following is the **most** important feature of reward power? [<Answer>](#)
- (a) It makes employees strictly follow the rules or policies of an organization
 - (b) The power is dependent on the recipient
 - (c) For a person to assume reward power, the people over whom power is to be wielded must perceive that person to be credible, trustworthy and relevant
 - (d) The base for reward power is identification with an individual who has desirable resources
 - (e) It is the power a person receives because of his or her position in the formal organizational hierarchy.
15. The brainstorming technique is widely used in the idea generation phase of a decision making process and aims at generating all the possible alternative courses of action. Which of the following statement(s) is/are **true** regarding brainstorming? [<Answer>](#)
- I. Members of the group are encouraged to randomly offer alternative suggestions to solve a particular problem on hand.
 - II. Brainstorming aims to encourage active participation of group members and to prevent them from self-censoring.
 - III. Ideas generated during brainstorming tend to be much more innovative and comprehensive.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Both (I) and (II) above
 - (d) Both (I) and (III) above
 - (e) All (I), (II) and (III) above.
16. If disagreement between two parties increases beyond a certain level, it develops into a serious conflict. Which of the following is **not** a conflict stimulation technique? [<Answer>](#)
- (a) Appointing a devil's advocate
 - (b) Bringing in outsiders
 - (c) Communication
 - (d) Authoritative command
 - (e) Restructuring the organization.

17. Although the terms group and team are often used interchangeably, they do not mean the same. Which of the following is **not true** regarding work teams? [<Answer>](#)
- I. In work teams, the primary motive of interaction is to share information and to take decisions, thereby helping each other to perform within his or her area of responsibility.
 - II. The performance in a work team is greater than the group member's individual inputs.
 - III. Effectiveness of performance is measured directly by assessing the collective work product.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) Both (II) and (III) above.
18. Newport News, a division of Tenneco Corporation, is one of the largest shipbuilding corporations in the world. Often, when working on a large ship, the employees of Newport News will have two bosses, one from their functional area within the firm and one that is the project leader for that particular ship. This is an example of which organizational structure? [<Answer>](#)
- (a) Functional
 - (b) Simple
 - (c) Network
 - (d) Bureaucracy
 - (e) Matrix.
19. In Organization Development (OD), importance is given not only to what is done, but also to how it is done. An OD program tries to improve the effectiveness of organizational processes by [<Answer>](#)
- I. Formulating effective solutions to problems prevailing in the organization.
 - II. Rectifying the weaknesses in the organization's culture and processes.
 - III. Making the client system capable of solving its problems and managing cultural change in the future with the help of an OD consultant.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) Both (II) and (III) above.
20. Eli Lilly India made it mandatory for its employees to use at least 15 days of their 30 days of annual privileged leave after it realized that the pressure of work was making it difficult for its employees to balance work and their personal lives. This example refers to which of the following characteristics of organizational culture? [<Answer>](#)
- (a) Norms
 - (b) Innovation
 - (c) Outcome orientation
 - (d) People orientation
 - (e) Dominant values.
21. In which of the following types of learning, attempts are made only to add new sources of knowledge to the existing knowledge base, and the organizational policies and goals and the basic nature of the activities undertaken in the organization remain the same? [<Answer>](#)
- (a) Associative learning
 - (b) Operant conditioning
 - (c) Coping
 - (d) Classical conditioning
 - (e) Effective learning.
22. Negotiations take place frequently in organizations on issues ranging from mergers between two organizations to subcontracting of small components. Recognition of need for civil outcome is the characteristic of which of the following negotiation styles? [<Answer>](#)
- (a) Compromise
 - (b) Accommodating
 - (c) Bargaining
 - (d) Dominating
 - (e) Win-Win.

23. Individual politicking is a function of a person's personality traits, his background and experiences, and the environment in which he operates. Which of the following is/are **not** aspect(s) of individual personality that influence political behavior? [<Answer>](#)
- I. The level of self-monitoring.
 - II. Ambiguity of goals.
 - III. The strength of individual's power motive.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) Both (I) and (III) above.
24. Quinn and McGrath classified organization culture into various basic types, depending on the nature of transactions that take place between individuals or groups of individuals in organizations. In which of the following types of culture, managers are very creative and tend to be risk takers? [<Answer>](#)
- (a) Market culture
 - (b) Adhocracy
 - (c) Clan culture
 - (d) Hierarchical culture
 - (e) Network culture.
25. A group of housekeeping employees who work for a small hotel confronted the owner saying, 'It's very hard for most of us to maintain rigid 7 to 4 work hours. Each of us has personal responsibilities and we are going to begin looking for some other place to work if you don't set up flexible work hours'. The owner listened thoughtfully to the group's ultimatum and agreed to their request. The next day the owner introduced a flextime plan for these employees. This is an example of [<Answer>](#)
- (a) Unplanned change
 - (b) First-order change
 - (c) Second-order change
 - (d) Strategic change
 - (e) Technological change.
26. In the training process, T-groups may be constituted in various ways, depending upon the objectives and the results that are desired. Which of the following types of T-groups consists of people working in the same organization and share a direct working relationship with each other? [<Answer>](#)
- (a) Cousin
 - (b) Cluster
 - (c) Cadre
 - (d) Family
 - (e) Stranger.
27. Effective management of intergroup relations is essential to avoid dysfunctional conflict and improve organizational performance. Intergroup relations can be managed using various coordination methods. In this regard, integrating departments are commonly used when organizations are engaged in [<Answer>](#)
- (a) Total quality management
 - (b) Downsizing
 - (c) Reengineering
 - (d) Quality of work life projects
 - (e) Restructuring.
28. Groups are characterized by certain structural variables such as formal leadership, roles, norms, group status, etc. Which of the following statements is/are **not true** regarding norms? [<Answer>](#)
- I. Norms determine how the members should or should not behave in certain circumstances.
 - II. Formalized norms are described in organization manuals.
 - III. Most of the norms in organizations are formal, written and specific.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) All (I), (II) and (III) above.

29. Ram works for ABC Heating and Cooling Ltd. He sometimes works under the direction of Jay in new installations. Other times, he works in sales under the direction of Samuel. Ram often feels a conflict about which job he should be devoting his time and energies to. The organizational structure at ABC violates the principle of [<Answer>](#)
- (a) Chain of command
 - (b) Work specialization
 - (c) Formalization
 - (d) Decentralization
 - (e) Unity of command.
30. According to Kelman in which of the following processes of power, the target complies with power because he/she wants to obtain a favorable response from the agent or because he/she wants to avoid a negative response? [<Answer>](#)
- (a) Identification
 - (b) Internalization
 - (c) Compliance
 - (d) Conceptual capabilities
 - (e) Intelligence.
31. Every year, employees at Lincoln Electric company are given an extra amount in their year end paychecks reflecting production line cost savings realized due to workers suggestions during the year. This is a form of [<Answer>](#)
- (a) Skill based pay system
 - (b) Time wage plan
 - (c) Gain sharing system
 - (d) Team bonus plan
 - (e) Piece wage plan.
32. Organization Development (OD) owes its origin to some fundamental beliefs, and the work done by various behavioral experts based on these beliefs. Which of the following is/are **not true** regarding these beliefs? [<Answer>](#)
- I. Organization achieves its goals through various types of work teams.
 - II. OD is a process which aims at bringing change only in the components or parts of the system.
 - III. In order to achieve a lasting improvement in organizational functioning, it is necessary to change the processes, culture, and the way things are done in the various teams in the organization.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Both (I) and (II) above
 - (d) Both (I) and (III) above
 - (e) Both (II) and (III) above.
33. A withdrawn, shy person whose boss expects him or her to aggressively make door-to-door sales of the company product is most likely to experience [<Answer>](#)
- (a) Intergroup conflict
 - (b) Intragroup conflict
 - (c) Interpersonal conflict
 - (d) Intrapersonal conflict
 - (e) Structural conflict.
34. The contributions from researchers and theorists enabled continuous growth in the areas of Organization Development (OD). Which of the following statements is/are **true** regarding the strengths of OD? [<Answer>](#)
- I. OD techniques emphasize on both, the development of individuals as well as the development of technology.
 - II. OD techniques help in getting people, across the organization, together to discuss organizational matters and come up with appropriate solutions to organizational problems.
 - III. There is a strong compatibility between OD and the structure and processes of democratic governments across the world.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) All (I), (II) and (III) above.

35. Which of the following has proved to be very effective in bringing about organizational change and is used as an instrument to understand the perceptions of employees on changes in the organization, team building, bringing cultural change, bringing strategic shifts in the structure, style and personnel policies and development of a motivational climate in an organization? [<Answer>](#)
- (a) Action research
 - (b) Survey feedback
 - (c) Laboratory training
 - (d) Employee assistance programs
 - (e) Mentoring.
36. Management cannot make changes in the technological processes without simultaneously modifying the organization's structure to match. In this context, the source of resistance to change is [<Answer>](#)
- (a) Structural inertia
 - (b) Limited focus of change
 - (c) Threat to established resource allocations
 - (d) Economic factors
 - (e) Group inertia.
37. Ms. Carol and Ms. Vern read through the written agreement based on their negotiated results. Ms. Carol and Ms. Vern are in which of the following stages of the negotiation process? [<Answer>](#)
- (a) Preparation and planning
 - (b) Defining rules
 - (c) Clarification and justification
 - (d) Bargaining and problem solving
 - (e) Closure and implementation.
38. Arson Ltd. is a small firm facing stagnant growth and new competition. Seven members of the firm comprising the sales team, client services, and the owner, are discussing new ideas for sales growth. Mr. Mahesh, the owner, and long-time operations manager Mr. Suresh, are responding to the ideas pitched by younger staff members saying, 'We've already tried that and it didn't work.' An observer in the back of the conference room speaks up: 'Why isn't anyone challenging Mr. Mahesh or Mr. Suresh when they shoot down suggestions?' The company team is involved in [<Answer>](#)
- (a) Action research
 - (b) Survey feedback
 - (c) Laboratory training
 - (d) Process consultation
 - (e) Team intervention.
39. A union went on strike and the management could not replace the striking employees. This is an example of [<Answer>](#)
- (a) Essentialism
 - (b) Importance
 - (c) Scarcity
 - (d) Non-substitutability
 - (e) Empowerment.
40. According to S. Strauss and L.R. Sayles, there are some objectives of sensitivity training programs. Which of the following is/are **not true** regarding the objectives of sensitivity training programs? [<Answer>](#)
- I. To make a person more aware of his feelings and reactions and how they affect others.
 - II. To bring about an improvement in organizational functioning by providing training to individuals rather than to groups.
 - III. To make a person more sensitive to the feelings and reactions of others and to understand how they affect the self.
 - IV. To change a participant's attitude towards himself, others and various groups in the organization.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) Both (III) and (IV) above.

41. Anshu Corporation has plans to change their standard welding method to MIG welding under the leadership of Mr. Farook. Noticing some resistance to change in workers, Mr. Farook simply tells them that the change will be implemented and the workers must accept it and there is no choice. Mr. Farook is using which of the following measures to overcome resistance to change? [<Answer>](#)
- (a) Facilitation and support
 - (b) Coercion
 - (c) Cooptation
 - (d) Negotiation
 - (e) Manipulation.
42. The degree of control that an individual exercises over his work environment is known as the locus of control. Which of the following statement(s) is/are **not true** regarding locus of control? [<Answer>](#)
- I. People with internal locus of control are less vulnerable to stress than those with external locus of control.
 - II. Employees' perception of control and stress are interrelated.
 - III. People with internal locus of control are more vulnerable to stress than those with external locus of control.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) Both (II) and (III) above.
43. The Vice-president of accounting has called the director of internal auditing, the manager of accounts receivable, and the tax specialist for a meeting. The Vice-president intends to form these employees into a task force to study a particularly difficult accounting problem. This is an example of [<Answer>](#)
- (a) Problem-solving team
 - (b) Total quality management
 - (c) Self managed work team
 - (d) Gain sharing team
 - (e) Cross functional team.
44. When Mr. Anand realized he would face a possible demotion when the Phoenix organization began its change process, he became resistant to change. It can be stated that his resistance was most probably attributable to fear of [<Answer>](#)
- (a) Structural inertia
 - (b) Social factors
 - (c) Selective information processing
 - (d) Fear of the unknown
 - (e) Threat to expertise.
45. A secretary who follows proper channels in making requests from work-study students and who is sensitive to a student's concerns is exercising which form of power? [<Answer>](#)
- (a) Coercive power
 - (b) Reward power
 - (c) Legitimate power
 - (d) Expert power
 - (e) Referent power.
46. Many organizations use teams to enhance organizational effectiveness. Which of the following **does not** come under the essentials for building effective teams? [<Answer>](#)
- (a) Providing a supportive environment
 - (b) Relevant skills
 - (c) Role clarity
 - (d) Focus on individual tasks
 - (e) Team rewards.

47. In the movie-making business, directors want to create artistic films, regardless of costs but producers want to make financially profitable movies by minimizing costs. This results in conflict between directors and producers. In this context, which of the following is the source of the conflict? [<Answer>](#)
- (a) Structure
 - (b) Personal variables
 - (c) Communication
 - (d) Financial rewards
 - (e) Dysfunctional outcomes.
48. A consulting company uses rules to monitor manager's phone calls, e-mails, and number of photocopies. The company uses which of the following to control employee activity? [<Answer>](#)
- (a) Span of control
 - (b) Centralization
 - (c) Formalization
 - (d) Departmentalization
 - (e) Delegation.
49. Which of the following is/are the objective(s) of quality circles? [<Answer>](#)
- I. Teaching additional skills to employees and bringing out their latent potential.
 - II. Developing a team spirit in the organization and reducing conflict between departments.
 - III. Involving people at different levels in finding a solution to a problem.
 - IV. Improving the motivational level of employees.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) (I), (II) and (III) above
 - (d) (II), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.
50. Veena is a product manager and uses political influence or power in the organization, so that she can implement some of her product development ideas and innovations. Therefore, she has been using the support of others as an argument to her boss to agree with her ideas. This is an example of [<Answer>](#)
- (a) Coercive power
 - (b) Coalition
 - (c) Compliance
 - (d) Conformity
 - (e) Referent power.
51. If Kamal wants to find out about what needs to be changed in collaboration with all the members to understand the problems and opportunities facing the organization, what approach might he take? [<Answer>](#)
- (a) Action research
 - (b) Sensitivity training
 - (c) Survey feedback
 - (d) Force field analysis
 - (e) Role analysis technique.
52. In all manufacturing companies, the production department is dependent on the purchase department for its inputs. If the purchase department fails to procure a particular raw material, the production department may have to halt its operations. But the failure in the operations of the production department does not have any impact on the functioning of the purchasing department. This is known as [<Answer>](#)
- (a) Distributive interdependence
 - (b) Pooled interdependence
 - (c) Integrative interdependence
 - (d) Reciprocal interdependence
 - (e) Sequential interdependence.

53. Span of control refers to the ratio of managers to subordinates. Which of the following statements is/are **not true** regarding span of control? [<Answer>](#)
- I. In organizations having tall structures, the span of control is large.
 - II. In organizations having flat structures, the span of control is very small.
 - III. Tall structure provides an opportunity for high level of interaction between the manager and the subordinate.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) All (I), (II) and (III) above.
54. Teams are formed when people from across various sections of the organization come together to accomplish a common objective. If an organization has diverse workforce, its team will include people from different groups. Diversity in teams will lead to development of new perspectives or can cause various problems. Which of the following is **not** an advantage of a diverse team? [<Answer>](#)
- (a) Multiple perspective
 - (b) Increased interpretation
 - (c) Greater openness to new ideas
 - (d) Confusion
 - (e) Increased flexibility.
55. In the Six Sigma concept, the champions that work at the business unit level and oversee black belts are known as [<Answer>](#)
- (a) Exploitation champions
 - (b) Employment champions
 - (c) Project champions
 - (d) Deployment champions
 - (e) Operation champions.
56. Although the terms power, authority and influence are often used synonymously, there is a difference between them. In this context, which of the following statements is/are **true**? [<Answer>](#)
- I. Although both power and influence are an essential part of leadership, influence is more closely associated with the function of leading than power.
 - II. Influence gives a person a right to change certain relationships within an organization.
 - III. Influence has the ability to alter reality whereas power, can only alter a person's perceptions about reality and the relationships in the organization.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Both (I) and (II) above
 - (d) Both (II) and (III) above
 - (e) All (I), (II) and (III) above.
57. Conflict is the disagreement between two or more individuals or groups over an issue of mutual interest. Variety of factors can lead to conflicts. In which of the following factors, people perceive different things, issues and their environment differently and act as though their perception is the only reality, without attempting to understand or accept another person's view causing conflicts to arise? [<Answer>](#)
- (a) Organizational change
 - (b) Personality clashes
 - (c) Differences in value sets
 - (d) Threats to status
 - (e) Perceptual differences.

58. Simple structure is one of the most commonly used organizational designs. In this regard, which of the following [statements is/are **not true**](#)? [<Answer>](#)
- I. A firm with a simple organization structure has a wide span of control, few departments, centralized authority and a low degree of formalization.
 - II. Simple structures are easily managed as they have only a few levels of hierarchy.
 - III. Simple structure is suitable for both small and large organizations.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) Both (II) and (III) above.
59. There are many causes of stress. Stressors could be present either within the organization or outside it or within the individuals. Which of the following comes under the individual stressors? [<Answer>](#)
- (a) Societal patterns
 - (b) Community conditions
 - (c) Job role
 - (d) Psychological hardiness
 - (e) Family problems.
60. Adecco Consultants has offices in 13 countries. Mr. Chandan, CEO requires input from all office directors to take an important decision about corporate strategy in the light of a severe financial downturn. The corporation's annual meeting of directors will not take place for another four months. Which would be the most cost-efficient group decision-making method to use? [<Answer>](#)
- (a) The nominal group technique
 - (b) Brainstorming
 - (c) Checklist method
 - (d) The Delphi technique
 - (e) Quality circles.
61. Which of the following is an effective way to allow people from diverse areas within an organization to exchange information, develop new ideas and solve problems, and coordinate complex projects? [<Answer>](#)
- (a) Problem-solving team
 - (b) Self-managed work team
 - (c) Cross-functional team
 - (d) Production-oriented team
 - (e) Virtual team.
62. Parties involved in a conflict turn to a third party to help them arrive at an agreement. Which of the following [statements is/are **true**](#) regarding arbitration process? [<Answer>](#)
- I. The third party uses logical reasoning and persuasion techniques to convince the parties to arrive at an agreement.
 - II. Arbitrator has the authority to enforce his decision on the conflicting parties.
 - III. It always results in settlement.
 - IV. The process may be chosen voluntarily by the parties.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) Both (II) and (III) above
 - (d) (I), (II) and (III) above
 - (e) (II), (III) and (IV) above.
63. There are different behavioral models differentiated on the basis of the varying degrees of rationality involved during the process of decision making. The decisions purely based on which of the following models can be misleading and harmful to the process of decision making in organizations? [<Answer>](#)
- (a) Simon's bounded rationality model
 - (b) The economic rationality model
 - (c) Judgmental heuristics and biases model
 - (d) The social model
 - (e) The personality perception model.

64. The focal role incumbent prepares a written description of his role, including the results of the role analysis technique. This is known as the [<Answer>](#)
- (a) Role description
 - (b) Role awareness
 - (c) Role authenticity
 - (d) Role profile
 - (e) Role integration.
65. Which of the following occurs when individuals believe that their contributions are not important, that others will do the work for them, that their lack of efforts will go undetected, or that they will be the lone sucker who works hard while others don't? [<Answer>](#)
- (a) Social inequity
 - (b) Social loafing
 - (c) Social integrating
 - (d) Social conflict
 - (e) Social facilitation effect.
66. Though Organization Development (OD) seems to have a promising future, there are certain factors that have the potential to make the future of OD uncertain. In this context, which of the following is **not** the factor that leads to the uncertainty regarding the future of OD? [<Answer>](#)
- (a) Rediscovering and recording history of OD
 - (b) Dissemination of OD techniques
 - (c) Leadership and values
 - (d) Shortened duration of OD process
 - (e) Knowledge about OD.
67. Which of the following is a management philosophy that focuses on customer relationships and tries to build an environment of trust and openness? [<Answer>](#)
- (a) Participative management
 - (b) Total quality management
 - (c) Adhocracy
 - (d) Kinesis
 - (e) Survey feedback.
68. Which of the following stages of group development is characterized by conflict and confrontation within the group? [<Answer>](#)
- (a) Adjourning
 - (b) Performing
 - (c) Storming
 - (d) Forming
 - (e) Norming.
69. Which of the following are the activities that are repeated on particular occasions to help reinforce the core values and key objectives of the organization and also helps to communicate the culture of the organization to its members by indicating clearly the most important goals for the company and the most important people in the company? [<Answer>](#)
- (a) Stories
 - (b) Rituals
 - (c) Ceremonies
 - (d) Material symbols
 - (e) Language.
70. Which of the following correctly describes the phenomenon where a group member will allow his/her true feelings to be suppressed in order to be accepted by the group? [<Answer>](#)
- (a) Group polarization
 - (b) Groupthink
 - (c) Group rationalization
 - (d) Group shift
 - (e) Group problem solving.

71. In which stage of the Lewin's model for introducing permanent change, the employees are educated about the external and internal factors that make change imperative? [<Answer>](#)
- (a) Freeze
 - (b) Unfreeze
 - (c) Fundamental stage
 - (d) Incremental stage
 - (e) Refreeze.
72. Manager A tells junior manager B about the possibility of their company being taken over by a multinational company unless it expands its size and capacity by merging with another domestic company. Junior manager B passes the information to plant supervisor C, saying that there is a threat of the company being taken over by a multinational company if it does not merge with another domestic company, who in turn conveys it to worker D saying that a multinational company has taken over their company. This is an example of which pattern of grapevine? [<Answer>](#)
- (a) Single strand chain
 - (b) Gossip chain
 - (c) Probability chain
 - (d) Cluster chain
 - (e) Rumor chain.
73. When a certain situation requires the individual to make major changes in his behavior and attitude, the individual does so in order to fit the role. This is known as [<Answer>](#)
- (a) Role identity
 - (b) Role expectations
 - (c) Role modeling
 - (d) Role perception
 - (e) Role analysis.
74. Quinn and McGrath classified organization culture into various basic types, depending on the nature of transactions that take place between individuals or groups of individuals in organizations. In which type of culture, the behavior of employees is governed by the contractual agreements? [<Answer>](#)
- (a) Market culture
 - (b) Adhocracy
 - (c) Clan culture
 - (d) Hierarchical culture
 - (e) Network culture.
75. Which of the following is the inherent propensity of decision makers to commit resources to a course of action that is certain to fail? [<Answer>](#)
- (a) Satisficing
 - (b) Groupthink
 - (c) Cognitive complexity
 - (d) Divergent thinking
 - (e) Escalation of commitment.
76. Role negotiation technique (RNT) is based on the assumption that people prefer to resolve a conflict rather than leaving the conflict unresolved. In which stage of the RNT, the consultant lays down some ground rules for negotiations between members of the teams in conflict? [<Answer>](#)
- (a) Issue diagnosis
 - (b) Incumbent stage
 - (c) Negotiation period
 - (d) Contract setting
 - (e) Ethical diagnosis.

77. Numerous different types of groups can be identified within an organization. Which of the following statements is/are **not true** regarding a command group? [<Answer>](#)
- I. It is represented in the organization chart.
 - II. This group does not have a functional reporting relationship.
 - III. Quality control department and marketing department is an example of command group.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) Both (II) and (III) above.
78. Objective of which of the following components of the organizational development process is to effectively manage conflicts, so that there is no resistance to the change process from the client system? [<Answer>](#)
- (a) Action component
 - (b) Diagnostic component
 - (c) Implement component
 - (d) Intervention component
 - (e) Process-maintenance component.
79. Organization Development (OD) interventions are said to be the action component of organizational development. Which of the following intervention techniques reduce friction between groups, help them resolve conflicts amicably and enhance mutual co-operation and coordination? [<Answer>](#)
- (a) The formal group diagnostic methods
 - (b) Intergroup team-building interventions
 - (c) The formal group team-building meeting
 - (d) Third party peacemaking interventions
 - (e) Process consultation interventions.
80. An older employee tells a younger employee, 'If you haven't made it in this company by the time you hit the Big Five O (50), then you're never going to make it in this company. Let me tell you what happened to Clifford a few years ago....' This episode illustrates the company's [<Answer>](#)
- (a) Norms
 - (b) Rules
 - (c) Philosophy
 - (d) Dominant values
 - (e) Observed behavioral regularities.
81. It was believed that groups followed a specific sequence in their formation. According to the five stage model, which of the following stages involves confusion and caution? [<Answer>](#)
- (a) Forming
 - (b) Performing
 - (c) Norming
 - (d) Storming
 - (e) Mourning.
82. A businessman who refuses to adjust the selling price of a product to fit the market value because his company was the first to price the product, is probably suffering from which bias? [<Answer>](#)
- (a) Availability
 - (b) Representative
 - (c) Anchoring and adjustment
 - (d) Escalation of commitment
 - (e) Pragmatic choice.

83. Which of the following statement(s) is/are **false** in the context of formal vs informal organizations? [<Answer>](#)
- I. In an informal organization, the job held by an individual or the position in which he is working determines his relationship with other positions in the organization.
 - II. Formal organizations are quite dynamic in nature.
 - III. The goal of an informal organization is to provide satisfaction to its members' needs to motivate them to achieve organizational goals.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) Both (II) and (III) above.
84. A finance manager with engineering background is appointed to resolve conflicts and improve relations between the accounts and production teams. He skillfully resolves disputes and promotes communication. In this context, which of the following methods of managing and coordinating intergroup relations is being applied? [<Answer>](#)
- (a) Rules and procedures
 - (b) Hierarchy
 - (c) Planning
 - (d) Liaison roles
 - (e) Task forces.
85. Which of the following involves understanding how one is supposed to behave in a particular role by observing the behavior of another individual in the same role? [<Answer>](#)
- (a) Role identity
 - (b) Role expectations
 - (c) Role modeling
 - (d) Role perception
 - (e) Role analysis.
86. Although the definition of organizational culture implies that it involves a shared meaning and a common perception held by all its members, the extent to which the values and culture are shared may vary. Hence, there arises a dominant culture and a subculture within the organization. In this regard, which of the following statements is/are **true**? [<Answer>](#)
- I. Subculture represents the core values shared by a majority of members in the organization.
 - II. Subculture of an organization guides the day-to-day behavior of the organization's members.
 - III. Subcultures prevent employees from blindly following the prevailing norms and values and help them to discover anomalies in the dominant culture.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Both (I) and (II) above
 - (e) All (I), (II) and (III) above.
87. Innovation is the process of creating and doing new things that are introduced into the market as products, processes or services. Which of the following is/are the main source(s) of innovation in organizations? [<Answer>](#)
- I. The structural variables of an organization.
 - II. Perceptual differences.
 - III. The organizational culture and the management's support to the human resources of an organization.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Both (I) and (II) above
 - (d) Both (I) and (III) above
 - (e) Both (II) and (III) above.

88. In spite of their merits, informal organizations also create certain problems for the management. Which of the following is **not** a problem created by informal organizations? [<Answer>](#)
- (a) Prevent organizational change
 - (b) Role conflict in members
 - (c) Conflicts between members of informal organizations
 - (d) Expression of frustration and anxieties of employees
 - (e) Fixed norms.
89. People form groups for several different reasons. According to the theory of propinquity, the reason for the association of people with one another is [<Answer>](#)
- (a) Similar culture
 - (b) Geographical proximity
 - (c) Rewards from interaction has positive outcome
 - (d) Similar attitudes and share common values
 - (e) Heredity.
90. Socialization plays an important role in molding employees so as to enable them to fit perfectly into the roles they are offered and to behave in a predictable manner. The process of socialization is divided into certain stages. In this regard, which of the following statements is/are **true** regarding pre-arrival stage? [<Answer>](#)
- I. In this stage, the employee becomes aware of the reality of the workplace as compared to his/her expectations of the job and the organization.
 - II. In this stage, each employee is treated as an individual with a distinct set of values and principles.
 - III. In this stage, a gradual attempt is made to introduce the values, norms and expectations of the organization to the new employee.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) Both (I) and (III) above
 - (d) Both (II) and (III) above
 - (e) All (I), (II) and (III) above.
91. Individuals who lead Six Sigma within specific businesses in the organization and ensure that all the key functions of the organization are linked to six sigma are known as [<Answer>](#)
- (a) Champions
 - (b) Black belts
 - (c) Master black belts
 - (d) Green belts
 - (e) Blue belts.
92. James Thompson's company is experiencing a problem that was never encountered before in the life of the company. James has issued a directive for his management staff to devise a way to resolve the current dilemma. The solution the managers derive will be termed a [<Answer>](#)
- (a) Programmed decision
 - (b) Structural decision
 - (c) Non-programmed decision
 - (d) Informal decision
 - (e) Tactical decision.
93. Organization Development (OD) is in an advanced position to understand and resolve problems. In the future, organizations will use OD to resolve various problems related to networks, e-business, temporary employment and workforce diversity. This shows that in future, [<Answer>](#)
- (a) OD will become a part of organization's operations
 - (b) OD will increase the scope for learning and innovation
 - (c) The interdisciplinary nature of OD will increase
 - (d) The diversity of organizations implementing OD will increase
 - (e) The need for clarity regarding OD values will increase.

94. Which of the following types of rumors arise from the ambiguity that is generated among employees when an organization delays in making a formal announcement on an important matter? [<Answer>](#)
- (a) Anxiety rumors
 - (b) Pipe dreams
 - (c) Curiosity rumors
 - (d) Wedge drivers
 - (e) Home stretchers.
95. Granger Company has decided to study the feasibility of starting an on-site healthcare facility. The group of employees assigned to the project is most likely [<Answer>](#)
- (a) Interest groups
 - (b) Task groups
 - (c) Command groups
 - (d) Coalitions
 - (e) Affinity groups.
96. According to Roy Rowan, there are basically two types of rumors: spontaneous rumors and premeditated rumors. Which of the following statements is/are **not true** regarding spontaneous rumors? [<Answer>](#)
- I. Spontaneous rumors originate with planning and involve forethought.
 - II. Spontaneous rumors arise during periods of stress and are action-oriented in nature.
 - III. Spontaneous rumors flourish only during the period when the person is experiencing feelings of anxiety, repression, lack of trust and during periods of chaos and disorder.
 - IV. Spontaneous rumors are short-lived.
- (a) Only (I) above
 - (b) Only (II) above
 - (c) Only (III) above
 - (d) Only (IV) above
 - (e) Both (II) and (III) above.
97. Depending on the degree of formalization, groups can be classified as formal and informal groups. Which of the following needs of their members does an informal group primarily satisfy? [<Answer>](#)
- (a) Safety needs
 - (b) Physical needs
 - (c) Social needs
 - (d) Ego needs
 - (e) Self-actualization needs.
98. Which of the following refers to the general policy and guidelines which determine the organization's behavior towards its employees and customers? [<Answer>](#)
- (a) Norms
 - (b) Outcome orientation
 - (c) People orientation
 - (d) Philosophy
 - (e) Organizational climate.
99. There are many theories which try to explain why people affiliate with one another. Which of the following statement(s) is/are **true** regarding the balance theory? [<Answer>](#)
- I. Individuals may interact and develop a relationship with one another individual because of similarity in attitudes and common values.
 - II. Individuals try to restore the balance by having more interactions with each other.
 - III. Employees who work in the same office are more likely to form a group than employees who work in different offices.
 - IV. The reward-cost outcomes of interaction serve as the basis for group formation.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) Both (III) and (IV) above
 - (d) (I), (II) and (III) above
 - (e) (II), (III) and (IV) above.

100. According to Keith Davis and John W. Newstrom, which of the following is defined as ‘grapevine information [<Answer>](#) that is communicated without secure standards of evidence being present’?

- (a) BATNA
- (b) Extraversion
- (c) Idea champions
- (d) Intuition
- (e) Rumor.

END OF QUESTION PAPER

Suggested Answers

Organizational Behavior – II (MB1B2): October 2008

Answer	Reason
1. C	Controlling orientation exists is the characteristic of bargaining negotiation style. < TOP Recognition that is impossible to control other party is the characteristic of compromise negotiation style. Problem orientation exists is the characteristic of win-win negotiation style.
2. C	Statements (I) and (IV) are true. < TOP Divergent thinking is in contrast to the conventional concept of convergent thinking. In convergent thinking, responses are influenced by the knowledge and rational logic of the individual. Divergent thinking refers to an individual's ability to develop innovative but relevant responses to given questions or problems. Ideas generated by divergent thinking are generally novel and sometimes appear irrational.
3. D	Premeditated rumors are deliberately created and transmitted. In a highly competitive business environment, the purpose of these rumors is to create disturbances both within the organization and the industry at large. < TOP
4. B	Functional outcomes are the constructive consequences of a conflict, on the performance of a group or an organization. This improves the group or organizational performance. < TOP
5. B	Statement (II) is not true since the normative view describes how a group is to be organized and how its activities are to be carried out. < TOP
6. B	Departmentalization by product method involves breaking down an organization into small, independent units called strategic business units, each of which produces a particular product or service. This method reduces the conflicts that occur in functional departmentalization. < TOP
7. A	A decision is said to be programmed when adequate information about the decision situation is available with the decision maker. < TOP Pricing decisions for orders placed by customers, decisions regarding the salary to be paid to employees, decisions pertaining to reordering of office supplies etc. are a few examples of programmed decisions.
8. B	When two or more groups function independently but their output needs to be combined to achieve the overall objectives of the organization, the groups are said to have pooled interdependence. < TOP
9. B	Ignoring rules and procedures comes under legitimate political behavior. < TOP
10. C	Collaborative management indicates the significance of the involvement of all organizational members in achieving success for the organization and the importance of ensuring the participation of all its members in fostering a positive organizational culture. < TOP
11. D	Stephen Robbins has defined the chain of command as the unbroken line of authority that extends from the topmost level to the lowest level of an organization and clarifies reporting relationship within the organization. < TOP
12. D	Distributive bargaining approach involves dividing a fixed amount of resources among the negotiating parties. The significant feature of this method is that it operates under zero-sum conditions – if one of the parties to the negotiations gains a certain amount in the bargaining process, the other party suffers an equivalent loss. < TOP

13. B The 'Breakthrough Strategy' consists of eight fundamental stages for achieving Six Sigma performance in a process, unit or a company. These are recognize, define, measure, analyze, improve, control, standardize and integrate. [< TOP](#)
14. B The most important feature of reward power is that the power is dependent on the recipient. [< TOP](#)
15. E All the statements are true regarding brainstorming. [< TOP](#)
- Members of the group are encouraged to randomly offer alternative suggestions to solve a particular problem on hand.
- Brainstorming aims to encourage active participation of group members and to prevent them from self-censoring.
- Ideas generated during brainstorming tend to be much more innovative and comprehensive.
16. D Authoritative command comes under the conflict resolution techniques. Management uses its formal authority to resolve the conflict and then communicates its desires to the parties involved. [< TOP](#)
17. A In work teams, the primary motive of mutual interaction is to perform collectively. [< TOP](#)
18. E The matrix organizational structure combines the features of a project design with those of a functional one. [< TOP](#)
19. D An OD program tries to improve the effectiveness of organizational processes by formulating effective solutions to problems prevailing in the organization and rectifying the weaknesses in the organizations culture and processes. [< TOP](#)
20. D People orientation refers to the degree to which the management takes into consideration, the effect of decisions made and the outcomes of these decisions on the people in the organization. [< TOP](#)
21. C Single loop learning is also called as coping. In this type of learning, attempts are made only to add new sources of knowledge to the existing knowledge base and the organizational policies and goals and the basic nature of the activities undertaken in the organization remain the same. [< TOP](#)
22. A Recognition of need for civil outcome is the characteristic of compromise negotiation style. [< TOP](#)
- Short-term approach focuses only on immediate problems is the characteristic of bargaining negotiation style.
- Long term approach seeks good relationship is the characteristic of win-win negotiation style.
23. B According to researchers, three aspects of individual personality influence political behavior: the level of self monitoring, the individual's locus of control, and the strength of the individual's power motive. Ambiguity of goals is a characteristic of organizational factors. [< TOP](#)
24. B Adhocracy: In this type of culture, managers are very creative and tend to be risk takers. [< TOP](#)
25. A The changes that occur in organizations suddenly without any significant effort or involvement on the part of the employees or management are called unplanned changes. [< TOP](#)
26. B A slightly different form of the cousin T-group is the cluster T-group, which also consists of people from the same organization, but who share a direct working relationship with each other. [< TOP](#)
27. B Integrating departments are commonly used when organizations are downsizing. At such times, organizations have to allocate the available resources equitably among the departments which remain after downsizing. [< TOP](#)

28. C Statement (III) is not true. Most of the norms in organizations are informal, unwritten and unspecific. [< TOP](#)
29. E According to the concept of unity of command, an employee should report to not more than one superior. The violation of this rule can lead to confusion and conflict in organizations. [< TOP](#)
30. C Compliance: The target complies with power because he/she wants to obtain a favorable response from the agent or because he/she wants to avoid a negative response. [< TOP](#)
31. C Gain sharing reward system requires the team to exceed some baseline performance to receive a share of the profits generated by the organization. [< TOP](#)
32. B Organization Development (OD) owes its origin to two fundamental beliefs, and the work done by various behavioral experts based on these beliefs. [< TOP](#)
- Organization achieves its goals through various types of work teams.
- In order to achieve a lasting improvement in organizational functioning, it is necessary to change the process, culture, and the way things are done in the various teams in the organization.
- OD is a process which aims at development of the entire organization and not just parts of it.
33. D An individual may have conflicting needs or he may have to overcome many barriers to achieve his goals. In the process of achieving his goals, an individual may experience stress and frustration and may face internal conflict. This is referred to as intrapersonal conflict. [< TOP](#)
34. E The strengths of OD are [< TOP](#)
- OD techniques emphasize on both, the development of individuals as well as the development of technology.
- OD techniques help in getting people, across the organization, together to discuss organizational matters and come up with appropriate solutions to organizational problems.
- There is a strong compatibility between OD and the structure and processes of democratic governments across the world.
35. B Survey feedback has proved to be very effective in bringing about organizational change and is used as an instrument to understand the perceptions of employees on changes in the organization, team building, bringing cultural change, bringing strategic shifts in the structure, style and personnel policies and development of a motivational climate in an organization. [< TOP](#)
36. B Organizations are made up of a number of interdependent subsystems. You can't change one without affecting the others. [< TOP](#)
37. E In closure and implementation stage, both the parties arrive at an agreement that is mutually acceptable. The agreement is the result of several rounds of discussions and reciprocal concessions between the parties. The negotiation agreement is formally written and signed by both the parties. [< TOP](#)
38. D Process consultation assumes that the major reason underlying the ineffectiveness of organizations is dysfunctional interpersonal conflict. In this, greater emphasis is laid on understanding organizational processes. [< TOP](#)
39. D When a particular resource does not have any viable substitutes, then the person who controls that resource will have power over those who require that resource. This comes under non-substitutability. [< TOP](#)
40. B One of the objectives of sensitivity training programs is to bring about an improvement in organizational functioning by providing training to groups rather than individuals. [< TOP](#)

41. B In coercion technique, the management may attempt to reduce the employees' resistance to change by using threats or force. [<TOP](#)
42. C Various studies have shown that employees' perception of control and stress are interrelated, and this affects both the physical and psychological well-being of a person. [<TOP](#)
 A study carried out by medical researchers at Cornell University revealed that people with internal locus of control are less vulnerable to stress than those with external locus of control.
43. A Problem-solving teams consist of employees from the same department. These employees meet for a specific number of hours per week to discuss various ways of improving quality, efficiency and the work environment. [<TOP](#)
44. B Social factors: People resist change when they anticipate that the change might affect their status in the society adversely. [<TOP](#)
45. C A person's structural position within a formal group or organization, more often than not, plays a very important part in determining his access to one or more of the bases of power. This is known as legitimate power. [<TOP](#)
46. D Essentials for building effective teams: [<TOP](#)
- Providing a supportive environment
- Relevant skills
- Role clarity
- Focus on super ordinate goals
- Team rewards.
47. A The size of the work groups, degree of specialization of employees, role clarity of individuals and departments, leadership style, and diversity of goals and reward systems constitute structural variables. These variables have the huge potential to cause conflicts. [<TOP](#)
48. C The degree to which rules and procedures govern the roles and responsibilities of employees is referred to as formalization. [<TOP](#)
49. E All the statements (I), (II), (III) and (IV) are the objectives of quality circles. [<TOP](#)
- Teaching additional skills to employees and bringing out their latent potential.
- Developing a team spirit in the organization and reducing conflict between departments.
- Involving people at different levels in finding a solution to a problem.
- Improving the motivational level of employees.
50. B When a person seeks power, he first tries to develop individual power. If he is unsuccessful in consolidating his personal position, he tries to form a coalition with some other people who have similar interests and seek common goals. [<TOP](#)

51. A Action research: It is aimed at finding relevant and feasible solutions to important problems. [< TOP](#)
 Sensitivity training: Training groups that seek to change behavior through unstructured group interaction.
 Survey feedback: Uses questionnaires to collect data which are used in Action Research process for diagnosing problems.
 Force field analysis is based on the assumption that there are two forces, namely driving forces and restraining forces that play a role in attaining a desired state of equilibrium.
 Role analysis technique assumes that cooperation and coordination among the team members can be enhanced by defining and clarifying their roles.
52. E When one of the groups is dependent on the other for some input, but the reverse is not true, it is known as sequential interdependence. [< TOP](#)
53. D Statements (I) and (II) are incorrect. [< TOP](#)
 In organizations having tall structures, the span of control is very small.
 In organizations having flat structures, the span of control is large.
 Tall structure provides an opportunity for high level of interaction between the manager and the subordinate.
54. D Teams are formed when people from across various sections of the organization come together to accomplish a common objective. If an organization has diverse workforce, its team will include people from different groups. Diversity in teams will lead to development of new perspectives or can cause various problems. The following are the advantages for a diverse team: [< TOP](#)
- Multiple perspective
- Increased interpretation
- Greater openness to new ideas
- Increased flexibility.
55. C Project champions work at the business unit level and oversee black belts. [< TOP](#)
56. A Although both power and influence are an essential part of leadership, influence is more closely associated with the function of leading than power. [< TOP](#)
 Power gives a person a right to change certain relationships within an organization.
 Power has the ability to alter reality whereas influence, can only alter a person's perceptions about reality and the relationships in the organization.
57. E Perceptual differences: People perceive different things, issues and their environment differently. When they act as though their perception is the only reality, without attempting to understand or accept another person's view, conflict arises. [< TOP](#)
58. C Statement (III) is not true. [< TOP](#)
 In small organizations, it is possible for a single individual to run the business, oversee all the functions and take all the decisions pertaining to the business. But in large organizations, where a lot of information has to be processed and many functions require to be managed, a single individual cannot handle all the work and take all the decisions.
59. D Psychological hardiness refers to a person's ability to cope with stress. This comes under the individual stressors. [< TOP](#)
 Societal patterns, community conditions and family problems comes under extra organizational stressors.
 Job role comes under the organizational stressors.

60. D The Delphi technique would be better because it can be implemented via email and save the cost of bringing the managers together physically. [<TOP](#)
61. C Cross-functional teams consist of employees from the same hierarchical level, but from different functional areas of the organization. These employees come together to achieve a specific objective. [<TOP](#)
62. E Statement (I) is not true since mediator uses logical reasoning and persuasion techniques to convince the parties to arrive at an agreement. [<TOP](#)
 Arbitrator has the authority to enforce his decision on the conflicting parties.
 Arbitration process always results in settlement.
 The arbitration process may be chosen voluntarily by the parties.
63. B The economic rationality model: This technique of decision making undermines the importance of human behavior and seeks a detached and analytical justification for all decisions. Decisions purely based on the economic rationality model can therefore be misleading and harmful to the process of decision making in organizations. [<TOP](#)
64. D The focal role incumbent prepares a written description of his role, including the results of the Role Analysis Technique. It is known as the role profile. [<TOP](#)
65. B Social loafing occurs when individuals believe that their contributions are not important, that others will do the work for them, that their lack of efforts will go undetected, or that they will be the lone sucker who works hard while others don't. [<TOP](#)
66. D When the duration of OD process is shortened, it is definitely an advantage to OD. So it does not lead to uncertainty. [<TOP](#)
 It is also possible that OD techniques are misused to serve the objectives of the OD consultant rather than that of the organization.
 The support of top management is crucial for the growth of OD. They need to emphasize people oriented values apart from the performance and profitability of the organization. So it affects the future of OD.
 The ability of the top management to apply OD effectively in organizations depends on the extent to which the managers at these levels understand the process involved in OD. So the management should have sound knowledge about OD. Otherwise it leads to uncertainty.
67. B Total quality management is a management philosophy that focuses on customer relationships and tries to build an environment of trust and openness. [<TOP](#)
68. C Storming stage is characterized by conflict and confrontation within the group. In this stage of group development, although the members acknowledge the existence of a group, they may resist the constraints imposed by the group. [<TOP](#)
69. B Rituals are the activities that are repeated on particular occasions to help reinforce the core values and key objectives of the organization and also help to communicate the culture of the organization to its members by indicating clearly the most important goals for the company and the most important people in the company. [<TOP](#)
70. B Groupthink: When decisions are made by a cohesive group of individuals, their motivation to appraise and appreciate alternative courses of action are overpowered by their desire for unanimity of decision. [<TOP](#)
71. B In Lewin's model, employees are educated about the external and internal factors that make change imperative in the Unfreeze stage. [<TOP](#)
72. A In single strand chain communication network, information passes along in the form of a long chain, i.e., it passes from one person to another. Thus, the information undergoes filtration and distortion at each stage as it passes down the chain and ultimately becomes a highly inaccurate and distorted version of the original message. [<TOP](#)

73. A The attitude and behavior of an individual gives rise to role identity. When a certain situation requires the individual to make major changes in his behavior and attitude, the individual does so in order to fit the role. [< TOP](#)
74. A In market culture, the behavior of employees is governed by contractual agreements and their performance is evaluated on the basis of output generated by them. [< TOP](#)
75. E Escalation of commitment is the inherent propensity of decision makers to commit resources to a course of action that is certain to fail. [< TOP](#)
76. D Contract setting: In this step, the consultant lays down some ground rules for negotiations between members of the teams in conflict. [< TOP](#)
77. B Formal groups include command groups and task groups. A command group is represented in the organization chart and is relatively permanent in nature. They have a functional reporting relationship. Example of this group is quality control department and marketing department. [< TOP](#)
78. E The process-maintenance component focuses on managing the conflicts which tend to arise during the implementation of the OD process. [< TOP](#)
79. B Intergroup team-building interventions reduce friction between groups, help them resolve conflicts amicably and enhance mutual co-operation and coordination. [< TOP](#)
80. D Dominant values are commonly accepted and adopted values that the employees in an organization are expected to share and abide by. Low absenteeism, high productivity etc. are examples of dominant values existing in an organization. [< TOP](#)
81. A In forming stage, the individuals that comprise the group are uncertain about the group's purpose, structure, tasks and leadership. [< TOP](#)
82. C When a decision maker makes a decision by anchoring the process to an initial value and then goes on adjusting this value to finally come to a conclusion, he is said to resort to anchoring and adjustment heuristic. [< TOP](#)
83. D In a formal organization, the job held by an individual or the position in which he is working determines his relationship with other positions in the organization. Informal organizations are quite dynamic in nature. [< TOP](#)
84. D Liaison role method of managing and coordinating intergroup relations is being applied in the above given case. A capable person is appointed as a liaison officer who has to ensure effective communication and coordination between two independent workgroups. [< TOP](#)
85. D Role perception involves understanding how one is supposed to behave in a particular role by observing the behavior of another individual in the same role. [< TOP](#)
86. C Statement (III) is true. [< TOP](#)
 The dominant culture represents the core values shared by a majority of members in the organization.
 The dominant culture of an organization guides the day-to-day behavior of the organization's members.
 Subcultures prevent employees from blindly following the prevailing norms and values and help them to discover anomalies in the dominant culture.
87. D The structural variables of an organization, the organizational culture and the management's support to the human resources of an organization are the three main sources of innovation in organizations. [< TOP](#)
88. D Informal organizations provide an outlet for employees to express their frustration and anxieties. People can discuss their fears and problems with other members and thus reduce the emotional pressure they face in their work or personal lives. So, this is a benefit. [< TOP](#)
 All other options come under the problems created by informal organizations.

89. B People form groups for several different reasons. According to the theory of propinquity, people associate with another due to geographical proximity. [<TOP](#)
 Options (a) & (e): inapplicable to the mentioned theory. [≥](#)
 Option (c): True in the case for 'Exchange theory'
 Option (d): true in the case for 'Balance theory'.
90. D Statements (II) and (III) are true. [<TOP](#)
 In encounter stage, the employee becomes aware of the reality of the workplace as [≥](#)
 compared to his/her expectations of the job and the organization.
 In the pre-arrival stage, each employee is treated as an individual with a distinct
 set of values and principles.
 In pre-arrival stage, a gradual attempt is made to introduce the values, norms and
 expectations of the organization to the new employee.
91. A Champions are individuals who lead Six Sigma within specific businesses in the [<TOP](#)
 organization and ensure that all the key functions of the organization are linked to [≥](#)
 six sigma.
92. C A new problem or decision making situation which involves the development and [<TOP](#)
 evaluation of alternatives without the aid of a decision rule is generally called a [≥](#)
 non-programmed decision.
93. C In the future, organizations will use OD to resolve various problems related to [<TOP](#)
 networks, e-business, temporary employment and workforce diversity. These [≥](#)
 problems can be dissipated if OD adopts approaches and perspectives from
 disciplines such as labor economics, entrepreneurship, international relations,
 sociology and information systems. This shows that the interdisciplinary nature of
 OD will increase.
94. E Home stretchers: These arise from the ambiguity that is generated among [<TOP](#)
 employees when an organization delays in making a formal announcement on an [≥](#)
 important matter.
95. B Task groups are formed to carry out specific tasks. Such groups are temporary in [<TOP](#)
 nature. [≥](#)
96. A Statement (I) is not true. Spontaneous rumors originate without any planning and [<TOP](#)
 they do not involve forethought. [≥](#)
97. C Informal groups primarily satisfy the social needs of their members. [<TOP](#)
[≥](#)
98. D Philosophy: This refers to the general policy and guidelines which determine the [<TOP](#)
 organization's behavior towards its employees and customers. [≥](#)
99. B The following statements are true in case of balance theory [<TOP](#)
 • Individuals may interact and develop a relationship with one another because [≥](#)
 of similarity in attitudes and common values.
 Individuals try to restore the balance by having more interactions with each other.
 Statement (III) is applicable for propinquity theory.
 Statement (IV) is applicable for exchange theory.
100. E Keith Davis and John W. Newstrom define rumor as "grapevine information that [<TOP](#)
 is communicated without secure standards of evidence being present". [≥](#)

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