

Student: \_\_\_\_\_

1. The rational choice model of decision making begins with:
  - A. evaluating alternatives
  - B. recognizing and defining the problem
  - C. searching for alternatives
  - D. implementing the solution
  - E. searching for information about outcomes to each alternative
  
2. For the past 2,500 years, scholars in most western countries have mainly followed the \_\_\_\_\_ model of decision making.
  - A. implicit favourite
  - B. bounded rationality
  - C. rational choice
  - D. prospect theory
  - E. programmed decision
  
3. At what stage of the rational choice decision making model would we consider whether the decision is programmed or non-programmed?
  - A. Identifying the problem or opportunity.
  - B. Choosing the most appropriate decision style.
  - C. Developing alternative solutions.
  - D. Choosing the best alternative.
  - E. Evaluating decision outcomes.
  
4. A nonprogrammed decision is:
  - A. any routine situation where the company has a ready-made solution.
  - B. any decision that does not relate directly to the employee's job description.
  - C. any nonroutine situation in which employees much search for alternative solutions.
  - D. any decision that is clearly within the employee's job description.
  - E. any decision that affects the employee's performance.
  
5. When should decision makers bypass the search for alternative solutions and development of new solutions?
  - A. Never; bypassing these stages results in poorer decisions.
  - B. When the decision has ethical implications.
  - C. In most nonprogrammed decision situations.
  - D. In most programmed decision-making situations.
  - E. Only under conditions of bounded rationality.
  
6. The rational choice model of decision making is impossible to apply in reality because:
  - A. it ignores the fact that problems must be defined before alternatives are chosen.
  - B. it assumes that human beings make decisions based on their emotions.
  - C. it assumes that people are efficient and logical information processing machines.
  - D. it ignores the fact that people evaluate their decision after an alternative has been chosen and implemented.
  - E. All of these statements are correct.

7. One reason why the rational choice model doesn't fit reality is that it focuses on logical thinking and completely ignores:
  - A. emotions.
  - B. alternatives.
  - C. evaluation of solutions.
  - D. subjective expected utility.
  - E. organizational politics.
8. The rational choice paradigm of decision making does NOT assume that:
  - A. organizational goals are clear and agreed upon.
  - B. the outcomes of all alternatives are known.
  - C. all alternatives should be considered.
  - D. choices are affected by information is freely available.
  - E. decision makers tend to choose the first alternative exceeding the minimum standard.
9. Which of the following best describes how we can improve our problem identification skills?
  - A. Emotions have no effect on how people identify problems.
  - B. Becoming aware of the five common problems identification biases.
  - C. Emotions mainly signal us to follow either a programmed or nonprogrammed decision process. If the rational brain center determines that the situation is a problem, it transmits this evaluation to the emotional center, which then energizes the decision maker to act without choosing alternatives.
  - D. Emotions ensure that we rely on the rationality and avoid intuition in the decision making process.
10. In what stage of the decision-making process do emotions influence human decision making?
  - A. Identifying problems
  - B. Identifying alternatives
  - C. Choosing alternatives
  - D. All of these statements are true.
  - E. All of these statements are false; emotions do not influence decision making.
11. Mental models have what effect on the decision-making process?
  - A. They perpetuate assumptions that make it difficult to see new opportunities.
  - B. They cause production blocking in decision making.
  - C. They make it unnecessary to develop alternative solutions to the problem.
  - D. They cause decision makers to maximize rather than satisfice.
  - E. They help people to be more creative in decision making.
12. Perceptual defence causes us to:
  - A. defend the solutions we propose.
  - B. defend those who agree with us when we identify a problem.
  - C. defend the perception we have after making a decision.
  - D. block out bad news or information that threatens our self-concept.
  - E. justify our actions to defend our position.
13. During a meeting, senior executives of a consumer products company tackled the problem that they were late in detecting several consumer trends, such as the trend towards using see-through plastics in kitchenware. While trying to determine the source of this problem, one executive said: "The main problem here is that we need to find a better industrial design firm to design our products." Which of the following best describes the decision-making problem that this executive is exhibiting?
  - A. The executive is engaging in escalation of commitment.
  - B. The executive is being too creative.
  - C. The executive is acting as a devil's advocate when the situation calls for consensus.
  - D. The executive is engaging in groupthink.
  - E. The executive is defining the problem in terms of a solution.

14. The tendency to define problems in terms of a preferred solution occurs because:
  - A. it reduces ambiguity of the situation.
  - B. decision makers prefer ambiguity rather than decisiveness.
  - C. this avoids the escalation of commitment problem.
  - D. it avoids problems of bounded rationality.
  - E. all of these statements are correct.
  
15. Selecting the best decision alternative tends to be more difficult when organizational goals:
  - A. are unknown
  - B. are ambiguous
  - C. conflict with each other
  - D. are not fully agreed upon by those participating in the decision
  - E. all of these statements are correct
  
16. The concept of bounded rationality holds that:
  - A. our perception of a rational reality is bounded by non rationality.
  - B. decision makers process limited and imperfect information and therefore rarely select the best choice.
  - C. decision makers are "bounded" by organizational limitations.
  - D. decision makers are bound to project images of themselves as rational thinkers.
  - E. our realities are bounded by our own perceptions so that everyone's reality is different.
  
17. Which of the following is a potential problem when evaluating and choosing alternatives in decision making?
  - A. Limited information processing
  - B. Implicit favourite
  - C. Satisficing
  - D. All of these statements are potential problems
  - E. None of these statements are potential problems
  
18. The idea that decision makers rely on an implicit favourite to evaluate alternatives is:
  - A. an assumption that economists made in their early research about decision makers.
  - B. an emerging theory that has not yet been studied in organizational settings.
  - C. a recommendation put forward by organizational behaviour scholars to improve decision making.
  - D. the main reason why decision makers have difficulty identifying problems.
  - E. None of the answers are correct.
  
19. Which of these statements about information processing in decision making is FALSE?
  - A. Decision makers typically look at alternatives at the same time rather than sequentially.
  - B. Perceptual biases distort the selection and interpretation of information.
  - C. Decision makers don't think through all of the possible alternatives and their outcomes.
  - D. Decision makers engage in a limited search for and evaluation of alternatives.
  - E. Decision makers compare each alternative against an implicit favourite.
  
20. Decision makers tend to rely on their implicit favourite when:
  - A. they are trying to determine the most appropriate decision style.
  - B. they evaluate decision alternatives.
  - C. they want to avoid escalation of commitment.
  - D. they want to make more creative decisions.
  - E. they don't have any alternatives to choose from, yet still want to make a decision.
  
21. The natural tendency for people to be influenced by an initial anchor point such that they do not sufficiently move away from that point as new information is provided refers to:
  - A. insufficient heuristic.
  - B. anchoring and adjustment heuristic.
  - C. anchoring and information deficiency heuristic.
  - D. representativeness heuristic.
  - E. obtuseness.

22. \_\_\_\_\_ heuristic is a natural tendency to evaluate probabilities of events or objects by the degree to which they resemble other events or objects rather than on objective probability information.
- Insufficient
  - Anchoring and adjustment
  - Informational
  - Representativeness
  - Resemblance
23. Which of these statements about human decision making is FALSE?
- Personal biases typically distort the selection and interpretation of information.
  - Decision makers engage in a limited search for and evaluation of alternatives.
  - Decision makers usually examine all alternatives at the same time.
  - Decision makers compare each alternative to an implicit favourite.
  - Decision makers have a limited capacity to process information.
24. The Director of Nursing is looking for a new work schedule for nurses throughout the hospital. She evaluates a schedule system as soon as she learns about it. Eventually, she finds a schedule that is 'good enough' for her needs, even though there may be better schedules available that she hasn't yet learned about. The Director of Nursing is engaging in:
- escalation of commitment
  - satisficing
  - perceptual blinders
  - post-decisional justification
  - none of these statements describes the Director of Nursing's decision.
25. Satisficing refers to:
- the tendency to choose an alternative that is good enough rather than the best.
  - the feeling employees experience when they are not involved in a decision in which they would have made a valuable contribution.
  - a desirable outcome of decision making when several employees participate in the decision process.
  - the feeling employees experience when they make the right decision.
  - the tendency for decision makers to evaluate alternatives sequentially rather than comparing them all at once.
26. A committee of employees developed a process whereby they would choose a new office-cleaning firm from the six companies that tendered proposals for the contract. The process involved carefully assessing each firm on the four factors that were most important (e.g. cost), weighting the importance of each factor and then choosing the firm with the highest score. This decision-making activity potentially minimizes problems with:
- production blocking
  - constructive conflict
  - satisficing
  - problem identification
  - this process has no value in decision making and is discouraged in the textbook
27. Systematically evaluating alternatives through careful measurement and calculation tends to minimize:
- satisficing
  - reliance on an implicit favourite
  - escalation of commitment
  - reliance on the rational choice process.
  - satisficing and reliance on an implicit favourite

28. The most accurate view of intuition is that it:
- A. is a trait that people acquire mainly through heredity.
  - B. is more likely to be found in men than women.
  - C. is acquired more quickly by people whose careers span several unrelated industries.
  - D. is the ability to know when a problem or opportunity exists and select the best course of action without conscious reasoning.
  - E. does not really exist.
29. Recent studies of human decision making conclude that which of the following ultimately energizes us to select the preferred choice?
- A. logic
  - B. emotions
  - C. an implicit favourite
  - D. creativity
  - E. intuition
30. Which of the following is NOT one of the ways emotions affect our choices?
- A. We make preferences too early in the decision-making process.
  - B. We change the process of evaluating alternatives.
  - C. We rely on emotions as if they were information.
  - D. We are influenced by the emotions of others.
  - E. All of the above are correct.
31. Which of these statements about intuition is TRUE?
- A. People sometimes justify biased and non-systematic decision making as intuition.
  - B. Intuition incorporates logical reasoning that has become habit over time.
  - C. Intuition is particularly valuable when the decision maker has extensive tacit knowledge.
  - D. Intuition is both an emotional experience and a rapid unconscious analytic process.
  - E. All of these statements are true.
32. Which of the following decision-making activities tends to make the most use of tacit knowledge?
- A. Intuition
  - B. Decision support systems
  - C. Escalation of commitment
  - D. Data mining
  - E. Both intuition and data mining
33. Scenario planning improves decision making by encouraging:
- A. employees to engage in satisficing.
  - B. people to think about preferred solutions to problems long before they occur.
  - C. people to focus on solutions during the process of identifying problems.
  - D. bounded rationality.
  - E. employees to use their implicit favourite.
34. Intuition relies on which of the following?
- A. Escalation of commitment
  - B. Satisficing
  - C. Bounded rationality
  - D. Post-decisional justification
  - E. Tacit knowledge
35. Which of the following is NOT a consequence of post-decisional justification?
- A. The individual continues to look for alternatives better than the one selected.
  - B. The individual reduces the importance of negative aspects of the selected alternative.
  - C. The individual forgets about favourable aspects of the discarded alternatives.
  - D. The individual looks for more information that further supports the selected alternative.
  - E. The individual increases the importance of negative aspects of the discarded alternatives.

36. After choosing among several computer server systems, the Director of Information Systems feels very positive about the choice made. However, some of this optimism is due to the fact that the Director forgot about some of the limitations of the chosen system and unconsciously downplays the importance of the positive features of the rejected systems. The Director of Information Systems is engaging in:
- A. escalation of commitment
  - B. satisficing
  - C. rational choice thinking
  - D. post-decisional justification
  - E. The Director of Information Systems is engaging in none of these decision processes.
37. The textbook mainly identifies post-decisional justification as a problem with which stage of decision making?
- A. Evaluating decision outcomes.
  - B. Implementing the selected alternative.
  - C. Developing alternative solutions.
  - D. Choosing the best decision style.
  - E. Identifying problems or opportunities.
38. A decision maker's need to justify their decision tends to cause:
- A. more ethical decisions.
  - B. escalation of commitment.
  - C. creative decisions.
  - D. the decision maker to look for more alternatives.
  - E. All of these statements are correct.
39. People with a high need to 'save face' are more likely to:
- A. identify problems when none exist
  - B. engage in escalation of commitment
  - C. participate in risky decisions
  - D. follow the rational choice model of decision making
  - E. view problems as opportunities.
40. Escalation of commitment is more likely to occur when:
- A. the decision maker has a strong need to justify their decision.
  - B. the costs of ending the project are high or unknown.
  - C. the decision maker screens out negative information about the decision due to perceptual defence.
  - D. The decision maker dislikes losing a particular amount more than he/she likes gaining the same amount.
  - E. all of these conditions exist.
41. The tendency for people to dislike losing a particular amount more than they like gaining the same amount is called:
- A. implicit favourite.
  - B. bounded rationality.
  - C. intuition.
  - D. nonprogrammed decision making
  - E. prospect theory effect.
42. Prospect theory and closing costs are two reasons why people:
- A. engage in escalation of commitment.
  - B. define problems in terms of preferred solutions.
  - C. make non-programmed decisions rather than programmed decisions.
  - D. engage in satisficing.
  - E. encourage employee involvement.

43. Escalation of commitment can be minimized by ensuring that:
- A. there are ready-made alternatives to resolve the problem.
  - B. those who choose the decision are different from those who implement and evaluate it.
  - C. the team leader has strong opinions about the preferred options.
  - D. organizational goals are relatively ambiguous.
  - E. the person who makes the decision is also responsible for terminating the project.
44. Ensuring that the person who makes the decision is different from the person who evaluates that decision is recommended mainly to:
- A. minimize escalation of commitment.
  - B. avoid making decisions in the future.
  - C. increase the incidence of an implicit favourite.
  - D. minimize reliance on an implicit favourite.
  - E. increase the incidence of satisficing.
45. Establishing a preset level at which the decision is abandoned or re-evaluated is recommended mainly to:
- A. minimize reliance on an implicit favourite.
  - B. avoid relying on mental models to recognize problems or opportunities.
  - C. minimize escalation of commitment.
  - D. minimize problem identification.
  - E. reduce the incidence of satisficing.
46. In decision making, creativity is used:
- A. to find problems
  - B. to identify alternatives
  - C. to implement solutions more effectively
  - D. to assist all stages of decision making.
  - E. creativity is not part of the decision-making process
47. The creative process includes, in order, the following stages:
- A. incubation—verification—escalation—satisficing
  - B. verification—satisficing—preparation—insight
  - C. insight—verification—escalation—incubation
  - D. preparation—incubation—insight—verification
  - E. preparation—verification—escalation—satisficing
48. Incubation and verification are:
- A. stages of the creative process
  - B. elements of bounded rationality
  - C. elements of the MARS model.
  - D. problems with team decision making.
  - E. two forms of influence in organizations.
49. The first stage of the creative process is:
- A. divergent thinking
  - B. preparation
  - C. experimentation
  - D. insight
  - E. intuition
50. Convergent thinking mainly improves what stage of the creative process?
- A. Incubation
  - B. Insight
  - C. Preparation
  - D. All of these statements are correct
  - E. Convergent thinking does not improve any part of the creative process.

51. An executive was trying to think of ways to increase sales of ballpoint pens among young people. While walking down a street with lots of neon signs, the executive got the idea that young people would want to buy pens with ink in bright neon colours and with pen containers that glow in the dark. This situation is an example of:
- A. divergent thinking.
  - B. escalation of commitment.
  - C. devil's advocacy.
  - D. bounded rationality.
  - E. programmed decision making.
52. Divergent thinking mainly contributes to which of the following?
- A. Bounded rationality
  - B. The rationality choice decision model
  - C. Groupthink
  - D. Organizational politics
  - E. Creativity
53. A marketing specialist needed to find a new way of marketing the company's main product to clients. While watching a movie one evening, the marketing specialist saw a scene that gave her inspiration for a new marketing plan. According to the creative process model, the stage in this creative process after inspiration is:
- A. preparation
  - B. incubation
  - C. verification
  - D. insight
  - E. morphological analysis
54. Divergent thinking increases the level of:
- A. programmed decision making.
  - B. creativity.
  - C. bounded rationality.
  - D. escalation of commitment.
  - E. Divergent thinking improves none of these decision processes.
55. Which of the following occurs during the incubation stage of the creative process?
- A. Escalation of commitment
  - B. Prospect theory effect
  - C. Convergent thinking
  - D. Divergent thinking
  - E. Decision choice
56. In the creative process, insight:
- A. produces a well-developed and tested solution to problems.
  - B. follows the verification stage.
  - C. almost always occurs at night, rarely during the daytime.
  - D. is the opposite of divergent thinking.
  - E. is none of these statements.
57. Insight and verification are:
- A. two symptoms of groupthink.
  - B. the first two stages of creativity.
  - C. the two main differences between brainstorming and electronic brainstorming.
  - D. the last two stages of the creative process.
  - E. the first two stages of evaluation apprehension.

58. Which of these statements about creativity is FALSE?
- A. Very few people are creative.
  - B. Creative people have above-average intelligence.
  - C. Creative people tend to have a high need for achievement.
  - D. People tend to be more creative when they possess a good foundation of knowledge and experience on the subject.
  - E. Mental models potentially interfere with creativity.
59. People who are creative thinkers:
- A. are generally less creative than people with an analytic thinking style.
  - B. have a strong tendency to follow fixed patterns of behaviour.
  - C. are persistent.
  - D. prefer spending their time improving existing things rather than creating new things.
  - E. are all of the above.
60. The creative potential of a person tends to increase with his or her:
- A. ability to synthesize information.
  - B. ability to analyze ideas.
  - C. ability to apply ideas.
  - D. ability to be persistent.
  - E. All of these statements are correct.
61. Which of these statements about creativity is TRUE?
- A. Creativity is found in only 15 per cent of the adult population in Canada.
  - B. Creative people have no knowledge of the fundamental issues on that decision problem.
  - C. Creativity is strongest when employees have formed strong mental models.
  - D. Creative people have a strong need for social approval.
  - E. Creative people possess sufficient knowledge and experience on the subject.
62. Need for stimulation, the ability to synthesize ideas, and low need for social approval are characteristics of:
- A. people who tend to be more creative.
  - B. convergent thinkers.
  - C. employees with a high evaluation apprehension.
  - D. people who conform to peer pressure in decision making.
  - E. people who are anarchists and anti-social.
63. Employees tend to be more creative when they:
- A. avoid risk-taking.
  - B. enjoy abiding by rules and status.
  - C. have a high need for social approval.
  - D. value obedience to their bosses.
  - E. have none of these characteristics.
64. You have just received seed money for a new internet business and you want to hire a dozen people with a lot of creative potential. To hire the most creative people, you would select applicants who:
- A. have no experience in this industry, have high analytic intelligence, and have a relatively low need for achievement.
  - B. value self-direction, have a high degree of nonconformity, and have a relatively low need for affiliation.
  - C. have strong mental models regarding their field of knowledge, have high synthetic intelligence, and have a relatively low need for social approval.
  - D. try to avoid taking risks, have a high need for achievement, and have a high need for social approval.
  - E. have none of these sets of characteristics.

65. Jamaal doesn't particularly like to abide by meaningless rules, is not bothered by ambiguous situations, is willing to take a chance by making mistakes and is less concerned about social approval than most other employees. Jamaal probably has:
- A. a bad attitude.
  - B. an inventive thinking style.
  - C. a strong aversion to authority.
  - D. a high risk of engaging in groupthink.
  - E. a deep respect for the irrational choice paradigm.
66. Organizations can improve creativity by:
- A. discouraging employees from making mistakes.
  - B. giving employees the freedom to pursue novel ideas and accepting they will make reasonable mistakes.
  - C. giving employees tight deadlines to develop new ideas.
  - D. all of these statements are correct.
  - E. none of these actions improve creativity.
67. People tend to be more creative when:
- A. they have a reasonable level of job security.
  - B. they are secluded from colleagues in other areas of the organization.
  - C. they risk losing their job if their ideas fail.
  - D. they lack personal freedom to try things out.
  - E. they have all of these conditions.
68. An important resource for creativity is:
- A. open communications.
  - B. programmed decision routines.
  - C. a job where you work alone.
  - D. a performance-based reward system.
  - E. a high level of pressure to perform.
69. You have just been assigned the task of developing an innovative new product, using people from engineering, marketing, purchasing and one or two other departments in the organization. To help the group to be as creative as possible, you would:
- A. give the team a very tight deadline to come up with a creative idea.
  - B. threaten to fire any team member who suggests a silly idea that wastes time in the product-development process.
  - C. encourage competition among team members as to who has the best job performance.
  - D. move these employees out of their departments and into a common area where they can continuously communicate with each other.
  - E. apply all of these activities.
70. A learning orientation is:
- A. an important condition for creativity.
  - B. one of four causes of escalation of commitment.
  - C. one of the outcomes of the prospect theory effect.
  - D. a personal characteristic of someone who has low creative potential.
  - E. the label given to people who learn but are not creative in their learning.
71. Which of the following is a creative practice?
- A. Asking people unfamiliar with the issue to explore the problem with you.
  - B. Looking through the notes and files of past projects.
  - C. Performing morphological analysis.
  - D. All of these statements improve creativity.
  - E. None of these statements improves creativity

72. What do impromptu storytelling, morphological analysis, and artwork have in common?
- A. They are forms of cross-pollination.
  - B. They increase the risk of bounded rationality.
  - C. They are forms of associative play.
  - D. They significantly weaken the creative process.
  - E. They are mainly used to improve the rational choice process.
73. Associative play, morphological analysis, and cross-pollination are three strategies to:
- A. increase group polarization.
  - B. apply brainstorming more exactly as originally described by Osborn.
  - C. increase conformity to peer pressure.
  - D. improve creativity.
  - E. make the problem-finding stage of decision making less emotional.
74. Which of the following would be considered employee involvement?
- A. A legally mandated union-management health and safety committee.
  - B. A supervisor casually asking an employee whether the company should adopt a new type of work schedule.
  - C. A computer program that allows employees to submit information and ideas.
  - D. An arrangement whereby employees elect two colleagues to the company's Board of Directors.
  - E. All of these statements are considered employee involvement.
75. Employee involvement tends to have which of the following benefits in decision making?
- A. Leads to a more accurate definition of the problem.
  - B. Improves the number and quality of alternative solutions.
  - C. Increases the likelihood of selecting the best alternative.
  - D. Strengthens employee commitment to the solution.
  - E. All of these statements are correct.
76. Which of the following questions is NOT explicitly considered in the contingencies of employee involvement?
- A. Do subordinates need to develop their decision-making skills?
  - B. Is conflict among subordinates over preferred solutions likely?
  - C. Is the problem well structured?
  - D. How important is subordinate commitment to the decision?
  - E. Do subordinates have sufficient information to make a high-quality decision?
77. The preferred level of employee involvement depends on:
- A. Source of decision knowledge
  - B. Risk of conflict
  - C. Decision structure
  - D. Decision commitment
  - E. The preferred level of involvement depends on all of these factors.
78. The contingencies of employee involvement include all of the following EXCEPT:
- A. Source of decision knowledge
  - B. Decision quantity
  - C. Decision structure
  - D. Decision commitment
  - E. Risk of conflict
79. The benefits of employee involvement increase with:
- A. the routineness and similarity of the problem or opportunity.
  - B. management's knowledge of the situation.
  - C. the standardization and repetitiveness of the problem or opportunity.
  - D. the number and similarity of employees involved in the decision.
  - E. the novelty and complexity of the problem or opportunity.

80. Employee involvement is LESS valuable or successful when:
- A. decisions are programmed.
  - B. employees are committed to decisions made by their bosses.
  - C. employees have the same information as their bosses.
  - D. employee norms conflict with organizational goals.
  - E. all of the above conditions exist.
81. Which of the following is NOT explicitly identified as a contingency of employee involvement?
- A. Divergent thinking
  - B. Decision structure
  - C. Decision commitment
  - D. Risk of conflict
  - E. Source of decision knowledge
82. Employees probably should not make the decision alone (without the manager's involvement) when:
- A. their goals and norms conflict with the organization's objectives.
  - B. they lack commitment to decisions made by the boss alone.
  - C. they possess more knowledge than the manager.
  - D. employees are likely to disagree with each other regarding the preferred solution.
  - E. the problem calls for a nonprogrammed decision.
83. A higher rather than lower level of employee involvement is preferable when:
- A. management and employees possess the same information regarding the problem.
  - B. the problem relates to a nonprogrammed decision.
  - C. employees goals and norms conflict with the organization's objectives.
  - D. employees are likely to disagree with each other regarding the preferred solution.
  - E. all of these conditions exist.
84. Decision structure, risk of conflict, and decision commitment are:
- A. three conditions required for bounded rationality.
  - B. factors that support implicit favourites.
  - C. contingencies of employee involvement.
  - D. causes of escalating commitment.
  - E. constraints of team decision making.
85. If employee goals and norms conflict with the organization's goals, then:
- A. employees should make most decisions in the organization.
  - B. employees should be invited to make recommendations on important ideas, which are almost always accepted by management.
  - C. employees should never be involved in organizational decisions.
  - D. employees should have a low level of employee involvement.
  - E. employees should belong to self-directed work teams.
86. Decision making is an unconscious process of moving toward a desirable state of affairs.  
True False
87. The rational choice paradigm states that effective decision makers begin at any step in the model.  
True False
88. Ill-defined problems require a non-programmed decision process.  
True False
89. If a decision maker encounters the same problem several times, he or she can increasingly rely on non-programmed decision routines to solve the problem.  
True False
90. Subjective expected utility refers to how much the selected alternative benefits or satisfies the decision maker.  
True False

91. The last step in the rational decision-making model is to evaluate the decision outcomes.  
True False
92. The decision maker's emotions play an important role in his or her identification of a problem or opportunity.  
True False
93. The textbook argues that problem identification is usually the least important step in the rational choice paradigm.  
True False
94. One reason why the problem identification stage is imperfect is that various stakeholders try to "frame" the decision maker's view of the situation.  
True False
95. Our mental models of the world can prevent us from recognizing emerging problems in the workplace.  
True False
96. The decision-making process is more effective when problems are defined in terms of their solutions.  
True False
97. Decision makers have a need to reduce uncertainty, so they tend to focus on solutions before fully understanding the problem.  
True False
98. Decision makers can discover blind spots in problem identification by discussing the situation with other people.  
True False
99. According to bounded rationality theory, people make better decisions when their perceptions are "bounded" or framed by past experience.  
True False
100. Bounded rationality adopts the main assumptions of the rational choice paradigm of decision making.  
True False
101. To choose the best solution, decision makers need clear organizational goals that do not conflict with each other.  
True False
102. The rational choice paradigm assumes that decision makers have limited information-processing capabilities and engage in a limited search for alternatives.  
True False
103. Decision makers typically look at alternatives sequentially and compare each alternative to an implicit favourite.  
True False
104. Satisficing occurs when people continue on a failing course of action.  
True False
105. Clustering illusion causes us to see patterns from a small sample of events, when in fact those events are random.  
True False
106. Representativeness heuristics is a natural tendency to pay less attention to whether something resembles something else than on more precise statistics about its probability.  
True False

107. When decision makers tend not to evaluate various alternatives when they find an opportunity.  
True False
108. Intuition allows us to draw on our tacit knowledge to guide our decision preferences.  
True False
109. According to almost all organizational behaviour research, intuitive decision making causes us to make wrong decisions.  
True False
110. The emerging emotional view of decision making states that people form preferences toward alternatives as soon as they receive information about those alternatives.  
True False
111. When in a positive mood, people pay more attention to details and follow a nonprogrammed decision routine.  
True False
112. When making important decisions, emotional markers guide our preference among the decision alternatives.  
True False
113. Intuition is the main strategy to minimize escalation of commitment.  
True False
114. Intuition includes any emotional signals we experience regarding a situation.  
True False
115. Intuition is based on well-grounded mental models.  
True False
116. Whether or not the emotions we experience in a situation represent intuition depends largely on our level of experience in that situation.  
True False
117. Systematic evaluation of alternatives helps to increase the use of implicit favourites and satisficing in the decision process.  
True False
118. Scenario planning is a structured process that helps decision makers explore potential problems and choose the best solutions under different future conditions.  
True False
119. Post-decisional justification causes decision makers to forget what decision they made.  
True False
120. Post-decisional justification gives people an excessively optimistic evaluation of their decisions, until they receive very clear and undeniable information to the contrary.  
True False
121. Escalation of commitment occurs when employees increase their support for a decision because most of their colleagues also support that decision.  
True False
122. Prospect theory and self-justification are the main causes of satisficing.  
True False
123. Escalation of commitment is more likely to occur when the perceived costs of terminating the project are high or unknown.  
True False

124. Escalation of commitment may be corrected by ensuring that those involved in choosing decision alternatives are also responsible for evaluating the implemented solution.  
True False
125. Creativity occurs only in a few types of decisions.  
True False
126. Creativity should be used only in cases of non-programmed problems.  
True False
127. The incubation stage of creativity is more effective when the decision maker sets aside all other activities and focuses attention on the issue or problem.  
True False
128. Incubation is the stage of creativity in which the problem is simmering at the back of your mind while you are doing something else.  
True False
129. Divergent thinking occurs when the individual has a fleeting inspiration that is usually forgotten before it can be written down.  
True False
130. The ideas that appear during the insight stage of creativity are quickly forgotten unless documented.  
True False
131. The ideas that form during the insight stage of creativity need to be verified through conscious evaluation and experimentation.  
True False
132. People are creative because they work in creative environments, not because of any differences in their ability or personality.  
True False
133. Creative people tend to have a high need for social approval.  
True False
134. Typically, creative people possess less knowledge and experience on the subject than experts in the field.  
True False
135. Knowledge and experience can undermine creativity, because it can lead to routinization of that knowledge.  
True False
136. Creativity is related to both the characteristics of creative people and the situation in which they work.  
True False
137. Creative people value self-direction, but also have a strong need to follow rules.  
True False
138. Creative people have a high degree of non-conformity and have less concern about social approval.  
True False
139. Employees tend to be less creative in organizations that punish failure.  
True False
140. Task significance and autonomy are important conditions for creativity in organizations.  
True False

141. Creativity tends to suffer during times of downsizing and corporate restructuring.  
True False
142. Creativity occurs by redefining the problem, not just by finding a unique solution to the existing problem.  
True False
143. People are the most creative when management puts intense pressure on them to produce creative ideas.  
True False
144. Creative ideas can emerge when asking people unfamiliar with the problem to explore the problem with you.  
True False
145. Art classes and improvisational theatre are two creative activities of associative play.  
True False
146. Morphological analysis is a test to identify people with a creative personality.  
True False
147. A potentially useful creative practice is to list different dimensions of a system and the elements of each dimension, then think through the potential commercial usefulness of each combination.  
True False
148. Employee involvement mainly refers to controlling resources for one's own job.  
True False
149. The higher the level of employee involvement, the more influence people have over the decision process.  
True False
150. The highest level of employee involvement occurs when employees are asked to make recommendations to managers, who then decide whether to implement them.  
True False
151. Employee involvement potentially improves decision-making quality and commitment.  
True False
152. Employee involvement tends to weaken synergy in the decision-making process.  
True False
153. Employee involvement improves the number and quality of solutions.  
True False
154. Employees are more likely to be committed to implementing a solution when they are involved in making the decision.  
True False
155. To make the best decisions, the number of employees involved should be minimized.  
True False
156. The optimum level of employee involvement depends on the situation.  
True False
157. The highest level of employee involvement should occur when the problem is structured (i.e. it is a programmed decision).  
True False
158. Two contingencies of employee involvement are decision commitment and risk of conflict.  
True False

159. Employees should not make the final decision alone when conflict is likely among employees.

True False

160. Describe the rational choice paradigm of decision making.

161. A large financial institution is losing market share to savvy upstart companies, and it has asked its top marketing executive to identify the main reasons for the sliding fortunes. Describe three barriers that might cause the marketing executive to poorly identify the problem(s). An illustrative example in this context should be included for each barrier.

162. Executives at Switched Enterprises Ltd. want to partner with companies in other regions to distribute their Internet routers and electronic switching equipment. They want to make the decision systematically, but realize that it is not easy to determine whether a particular company will be able to provide effective distribution for this new product area. Discuss three (3) human limitations or problems that might make it difficult for Switched Enterprises executives to choose the best alternative.

163. Millions of dollars were wasted on the development of a new machine-made potato chip, at Fancy Chips Ltd. As a result, the Board of Directors of the food-processing firm fired the CEO who had proposed and championed the product's development. The new CEO's first task is to find out why this monumental waste of money had occurred and how it can be prevented in the future. Provide three possible explanations why this escalation of commitment occurred at Fancy Chips Ltd.

164. In the late 1970s, the Premier of British Columbia announced that the province would host a transportation exhibition in 1986 with a modest budget of only \$78 million. On at least two occasions, administrators recommended cancelling the exposition due to cost overruns and labour troubles, but the government decided to continue with the project. But by the end of Expo 86, the budget exceeded \$1.5 billion with a deficit of \$300 million. Using your knowledge of escalation of commitment, discuss four possible reasons why the government might have been motivated to continue with the project.
165. After Crispy Foods Ltd. had poured millions of dollars into the development of a new machine-made potato chip, the Board of Directors of the food-processing firm fired the CEO who had proposed and championed the product's development. The new CEO's first task is to find out why this monumental waste of money had occurred and how it can be prevented in the future. Describe two possible ways that the new CEO at Crispy Foods Ltd. can prevent or minimize this escalation of commitment in the future. Your answer must refer to this specific incident.
166. Describe the four stages of the creative process.
167. Incubation is a unique activity in organizational settings for increasing creativity. Describe this stage of creativity and explain what employees need to do to improve the incubation process.
168. WesTech Components wants to hire several people for jobs requiring a high degree of creativity. Identify three individual characteristics that WesTech should consider when selecting job applicants who have a high potential for creativity.

169. Comment on the accuracy of the following statement: 'Creativity increases with the individual's years of experience in that field of activity.'
170. A consumer products company wants more creativity in its research and development operations. The company has spent lots of money on creativity training sessions. These have helped somewhat, but the vice-president of this area believes that the fundamental conditions must be altered to allow more creativity. Describe three conditions (other than training) that this organization should establish to increase the level of creativity in its research and development operations. For each condition, briefly explain how it might improve creativity.
171. Creative Finance Ltd wants to introduce practices that would enhance creativity among employees in solving some of the financial institution's ongoing work process problems. Describe three types of activities that encourage creativity, including a specific example of what might be done in each practice.
172. Senior management at Candoo Graphics has numerous administrative and client problems. In the past, the company assigned one person (typically a senior executive or department manager) to solve each problem alone. Although no one was prevented from discussing these issues with colleagues, the macho style of most managers was that they could overcome the challenging assignment without anyone's help. The results were usually adequate, but rarely exceptional. A few were disastrous. Senior management is now considering involving employees in these decisions, but it isn't sure how employee involvement makes a difference. Explain to Candoo's managers how employee involvement potentially results in more effective decisions.

173. As director of new projects, you have just learned that cash flow problems have forced your organization to cut back product-development activities. This means that two of the eight projects currently being developed must be terminated, along with the employees working on those projects (about 25 per cent of employees in your unit). You have a good knowledge of these projects as well as the performance and seniority of employees who work in your unit. While some projects clearly have a high chance of success, the long-term potential of a couple of them is unknown. Identify the best level of employee involvement in this situation and describe three factors (contingencies) that support this level of involvement.

## 07 Key

1. The rational choice model of decision making begins with:  
(p. 183)
- A. evaluating alternatives
  - B.** recognizing and defining the problem
  - C. searching for alternatives
  - D. implementing the solution
  - E. searching for information about outcomes to each alternative

Chapter - Chapter 07 #1  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 1

2. For the past 2,500 years, scholars in most western countries have mainly followed the \_\_\_\_\_ model of decision making.  
(p. 182)
- A. implicit favourite
  - B. bounded rationality
  - C.** rational choice
  - D. prospect theory
  - E. programmed decision

Chapter - Chapter 07 #2  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 1

3. At what stage of the rational choice decision making model would we consider whether the decision is programmed or non-programmed?  
(p. 183)
- A. Identifying the problem or opportunity.
  - B.** Choosing the most appropriate decision style.
  - C. Developing alternative solutions.
  - D. Choosing the best alternative.
  - E. Evaluating decision outcomes.

Chapter - Chapter 07 #3  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 1

4. A nonprogrammed decision is:  
(p. 183)
- A. any routine situation where the company has a ready-made solution.
  - B. any decision that does not relate directly to the employee's job description.
  - C.** any nonroutine situation in which employees much search for alternative solutions.
  - D. any decision that is clearly within the employee's job description.
  - E. any decision that affects the employee's performance.

Chapter - Chapter 07 #4  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 1

5. When should decision makers bypass the search for alternative solutions and development of new solutions?  
(p. 183)
- A. Never; bypassing these stages results in poorer decisions.
  - B. When the decision has ethical implications.
  - C. In most nonprogrammed decision situations.
  - D.** In most programmed decision-making situations.
  - E. Only under conditions of bounded rationality.

Chapter - Chapter 07 #5  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 1

6. The rational choice model of decision making is impossible to apply in reality because:  
(p. 184) A. it ignores the fact that problems must be defined before alternatives are chosen.  
B. it assumes that human beings make decisions based on their emotions.  
**C.** it assumes that people are efficient and logical information processing machines.  
D. it ignores the fact that people evaluate their decision after an alternative has been chosen and implemented.  
E. All of these statements are correct.

Chapter - Chapter 07 #6  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 1

7. One reason why the rational choice model doesn't fit reality is that it focuses on logical thinking and completely ignores:  
(p. 184) **A.** emotions.  
B. alternatives.  
C. evaluation of solutions.  
D. subjective expected utility.  
E. organizational politics.

Chapter - Chapter 07 #7  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 1

8. The rational choice paradigm of decision making does NOT assume that:  
(p. 184) A. organizational goals are clear and agreed upon.  
B. the outcomes of all alternatives are known.  
C. all alternatives should be considered.  
D. choices are affected by information is freely available.  
**E.** decision makers tend to choose the first alternative exceeding the minimum standard.

Chapter - Chapter 07 #8  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 1

9. Which of the following best describes how we can improve our problem identification skills?  
(p. 186) A. Emotions have no effect on how people identify problems.  
**B.** Becoming aware of the five common problems identification biases.  
C. Emotions mainly signal us to follow either a programmed or nonprogrammed decision process.  
D. If the rational brain center determines that the situation is a problem, it transmits this evaluation to the emotional center, which then energizes the decision maker to act without choosing alternatives.  
E. Emotions ensure that we rely on the rationality and avoid intuition in the decision making process.

Chapter - Chapter 07 #9  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 2

10. In what stage of the decision-making process do emotions influence human decision making?  
(p. 184-186) A. Identifying problems  
B. Identifying alternatives  
C. Choosing alternatives  
**D.** All of these statements are true.  
E. All of these statements are false; emotions do not influence decision making.

Chapter - Chapter 07 #10  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

11. Mental models have what effect on the decision-making process?  
(p. 185) **A.** They perpetuate assumptions that make it difficult to see new opportunities.  
B. They cause production blocking in decision making.  
C. They make it unnecessary to develop alternative solutions to the problem.  
D. They cause decision makers to maximize rather than satisfice.  
E. They help people to be more creative in decision making.

Chapter - Chapter 07 #11  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

12. Perceptual defence causes us to:  
(p. 185) A. defend the solutions we propose.  
B. defend those who agree with us when we identify a problem.  
C. defend the perception we have after making a decision.  
**D.** block out bad news or information that threatens our self-concept.  
E. justify our actions to defend our position.

Chapter - Chapter 07 #12  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 2

13. During a meeting, senior executives of a consumer products company tackled the problem that they were late in detecting several consumer trends, such as the trend towards using see-through plastics in kitchenware. While trying to determine the source of this problem, one executive said: "The main problem here is that we need to find a better industrial design firm to design our products." Which of the following best describes the decision-making problem that this executive is exhibiting?  
(p. 185) A. The executive is engaging in escalation of commitment.  
B. The executive is being too creative.  
C. The executive is acting as a devil's advocate when the situation calls for consensus.  
D. The executive is engaging in groupthink.  
**E.** The executive is defining the problem in terms of a solution.

Chapter - Chapter 07 #13  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

14. The tendency to define problems in terms of a preferred solution occurs because:  
(p. 185) **A.** it reduces ambiguity of the situation.  
B. decision makers prefer ambiguity rather than decisiveness.  
C. this avoids the escalation of commitment problem.  
D. it avoids problems of bounded rationality.  
E. all of these statements are correct.

Chapter - Chapter 07 #14  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

15. Selecting the best decision alternative tends to be more difficult when organizational goals:  
(p. 187) A. are unknown  
B. are ambiguous  
C. conflict with each other  
D. are not fully agreed upon by those participating in the decision  
**E.** all of these statements are correct

Chapter - Chapter 07 #15  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 2

16. The concept of bounded rationality holds that:  
(p. 187) A. our perception of a rational reality is bounded by non rationality.  
**B.** decision makers process limited and imperfect information and therefore rarely select the best choice.  
C. decision makers are "bounded" by organizational limitations.  
D. decision makers are bound to project images of themselves as rational thinkers.  
E. our realities are bounded by our own perceptions so that everyone's reality is different.

Chapter - Chapter 07 #16  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 2

17. Which of the following is a potential problem when evaluating and choosing alternatives in decision making?  
(p. 188-189) A. Limited information processing  
B. Implicit favourite  
C. Satisficing  
**D.** All of these statements are potential problems  
E. None of these statements are potential problems

Chapter - Chapter 07 #17  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 2

18. The idea that decision makers rely on an implicit favourite to evaluate alternatives is:  
(p. 188) A. an assumption that economists made in their early research about decision makers.  
B. an emerging theory that has not yet been studied in organizational settings.  
C. a recommendation put forward by organizational behaviour scholars to improve decision making.  
D. the main reason why decision makers have difficulty identifying problems.  
**E.** None of the answers are correct.

Chapter - Chapter 07 #18  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 2

19. Which of these statements about information processing in decision making is FALSE?  
(p. 188) **A.** Decision makers typically look at alternatives at the same time rather than sequentially.  
B. Perceptual biases distort the selection and interpretation of information.  
C. Decision makers don't think through all of the possible alternatives and their outcomes.  
D. Decision makers engage in a limited search for and evaluation of alternatives.  
E. Decision makers compare each alternative against an implicit favourite.

Chapter - Chapter 07 #19  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

20. Decision makers tend to rely on their implicit favourite when:  
(p. 188) A. they are trying to determine the most appropriate decision style.  
**B.** they evaluate decision alternatives.  
C. they want to avoid escalation of commitment.  
D. they want to make more creative decisions.  
E. they don't have any alternatives to choose from, yet still want to make a decision.

Chapter - Chapter 07 #20  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

21. The natural tendency for people to be influenced by an initial anchor point such that they do not sufficiently move away from that point as new information is provided refers to:
- A. insufficient heuristic.
  - B.** anchoring and adjustment heuristic.
  - C. anchoring and information deficiency heuristic.
  - D. representativeness heuristic.
  - E. obtuseness.

Chapter - Chapter 07 #21  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

22. \_\_\_\_\_ heuristic is a natural tendency to evaluate probabilities of events or objects by the degree to which they resemble other events or objects rather than on objective probability information.
- A. Insufficient
  - B. Anchoring and adjustment
  - C. Informational
  - D.** Representativeness
  - E. Resemblance

Chapter - Chapter 07 #22  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

23. Which of these statements about human decision making is FALSE?
- A. Personal biases typically distort the selection and interpretation of information.
  - B. Decision makers engage in a limited search for and evaluation of alternatives.
  - C.** Decision makers usually examine all alternatives at the same time.
  - D. Decision makers compare each alternative to an implicit favourite.
  - E. Decision makers have a limited capacity to process information.

Chapter - Chapter 07 #23  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

24. The Director of Nursing is looking for a new work schedule for nurses throughout the hospital. She evaluates a schedule system as soon as she learns about it. Eventually, she finds a schedule that is 'good enough' for her needs, even though there may be better schedules available that she hasn't yet learned about. The Director of Nursing is engaging in:
- A. escalation of commitment
  - B.** satisficing
  - C. perceptual blinders
  - D. post-decisional justification
  - E. none of these statements describes the Director of Nursing's decision.

Chapter - Chapter 07 #24  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 2

25. Satisficing refers to:
- A.** the tendency to choose an alternative that is good enough rather than the best.
  - B. the feeling employees experience when they are not involved in a decision in which they would have made a valuable contribution.
  - C. a desirable outcome of decision making when several employees participate in the decision process.
  - D. the feeling employees experience when they make the right decision.
  - E. the tendency for decision makers to evaluate alternatives sequentially rather than comparing them all at once.

Chapter - Chapter 07 #25  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

26. (p. 189) A committee of employees developed a process whereby they would choose a new office-cleaning firm from the six companies that tendered proposals for the contract. The process involved carefully assessing each firm on the four factors that were most important (e.g. cost), weighting the importance of each factor and then choosing the firm with the highest score. This decision-making activity potentially minimizes problems with:
- A. production blocking
  - B. constructive conflict
  - C. satisficing**
  - D. problem identification
  - E. this process has no value in decision making and is discouraged in the textbook

Chapter - Chapter 07 #26  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

27. (p. 188-189) Systematically evaluating alternatives through careful measurement and calculation tends to minimize:
- A. satisficing
  - B. reliance on an implicit favourite
  - C. escalation of commitment
  - D. reliance on the rational choice process.
  - E. satisficing and reliance on an implicit favourite**

Chapter - Chapter 07 #27  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

28. (p. 191) The most accurate view of intuition is that it:
- A. is a trait that people acquire mainly through heredity.
  - B. is more likely to be found in men than women.
  - C. is acquired more quickly by people whose careers span several unrelated industries.
  - D. is the ability to know when a problem or opportunity exists and select the best course of action without conscious reasoning.**
  - E. does not really exist.

Chapter - Chapter 07 #28  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 3

29. (p. 190) Recent studies of human decision making conclude that which of the following ultimately energizes us to select the preferred choice?
- A. logic
  - B. emotions**
  - C. an implicit favourite
  - D. creativity
  - E. intuition

Chapter - Chapter 07 #29  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

30. (p. 190) Which of the following is NOT one of the ways emotions affect our choices?
- A. We make preferences too early in the decision-making process.
  - B. We change the process of evaluating alternatives.
  - C. We rely on emotions as if they were information.
  - D. We are influenced by the emotions of others.**
  - E. All of the above are correct.

Chapter - Chapter 07 #30  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 3

31. Which of these statements about intuition is TRUE?  
(p. 191)
- A. People sometimes justify biased and non-systematic decision making as intuition.
  - B. Intuition incorporates logical reasoning that has become habit over time.
  - C. Intuition is particularly valuable when the decision maker has extensive tacit knowledge.
  - D. Intuition is both an emotional experience and a rapid unconscious analytic process.
  - E.** All of these statements are true.

Chapter - Chapter 07 #31  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

32. Which of the following decision-making activities tends to make the most use of tacit knowledge?  
(p. 191)
- A.** Intuition
  - B. Decision support systems
  - C. Escalation of commitment
  - D. Data mining
  - E. Both intuition and data mining

Chapter - Chapter 07 #32  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

33. Scenario planning improves decision making by encouraging:  
(p. 192)
- A. employees to engage in satisficing.
  - B.** people to think about preferred solutions to problems long before they occur.
  - C. people to focus on solutions during the process of identifying problems.
  - D. bounded rationality.
  - E. employees to use their implicit favourite.

Chapter - Chapter 07 #33  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 3

34. Intuition relies on which of the following?  
(p. 191)
- A. Escalation of commitment
  - B. Satisficing
  - C. Bounded rationality
  - D. Post-decisional justification
  - E.** Tacit knowledge

Chapter - Chapter 07 #34  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

35. Which of the following is NOT a consequence of post-decisional justification?  
(p. 192-193)
- A.** The individual continues to look for alternatives better than the one selected.
  - B. The individual reduces the importance of negative aspects of the selected alternative.
  - C. The individual forgets about favourable aspects of the discarded alternatives.
  - D. The individual looks for more information that further supports the selected alternative.
  - E. The individual increases the importance of negative aspects of the discarded alternatives.

Chapter - Chapter 07 #35  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

36. (p. 192-193) After choosing among several computer server systems, the Director of Information Systems feels very positive about the choice made. However, some of this optimism is due to the fact that the Director forgot about some of the limitations of the chosen system and unconsciously downplays the importance of the positive features of the rejected systems. The Director of Information Systems is engaging in:
- A. escalation of commitment
  - B. satisficing
  - C. rational choice thinking
  - D.** post-decisional justification
  - E. The Director of Information Systems is engaging in none of these decision processes.

Chapter - Chapter 07 #36  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

37. (p. 192-193) The textbook mainly identifies post-decisional justification as a problem with which stage of decision making?
- A.** Evaluating decision outcomes.
  - B. Implementing the selected alternative.
  - C. Developing alternative solutions.
  - D. Choosing the best decision style.
  - E. Identifying problems or opportunities.

Chapter - Chapter 07 #37  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 3

38. (p. 193) A decision maker's need to justify their decision tends to cause:
- A. more ethical decisions.
  - B.** escalation of commitment.
  - C. creative decisions.
  - D. the decision maker to look for more alternatives.
  - E. All of these statements are correct.

Chapter - Chapter 07 #38  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 3

39. (p. 193) People with a high need to 'save face' are more likely to:
- A. identify problems when none exist
  - B.** engage in escalation of commitment
  - C. participate in risky decisions
  - D. follow the rational choice model of decision making
  - E. view problems as opportunities.

Chapter - Chapter 07 #39  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

40. (p. 193) Escalation of commitment is more likely to occur when:
- A. the decision maker has a strong need to justify their decision.
  - B. the costs of ending the project are high or unknown.
  - C. the decision maker screens out negative information about the decision due to perceptual defence.
  - D. The decision maker dislikes losing a particular amount more than he/she likes gaining the same amount.
  - E.** all of these conditions exist.

Chapter - Chapter 07 #40  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 3

41. The tendency for people to dislike losing a particular amount more than they like gaining the same amount is called:  
(p. 193)
- A. implicit favourite.
  - B. bounded rationality.
  - C. intuition.
  - D. nonprogrammed decision making
  - E.** prospect theory effect.

Chapter - Chapter 07 #41  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 3

42. Prospect theory and closing costs are two reasons why people:  
(p. 193)
- A.** engage in escalation of commitment.
  - B. define problems in terms of preferred solutions.
  - C. make non-programmed decisions rather than programmed decisions.
  - D. engage in satisficing.
  - E. encourage employee involvement.

Chapter - Chapter 07 #42  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

43. Escalation of commitment can be minimized by ensuring that:  
(p. 194)
- A. there are ready-made alternatives to resolve the problem.
  - B.** those who choose the decision are different from those who implement and evaluate it.
  - C. the team leader has strong opinions about the preferred options.
  - D. organizational goals are relatively ambiguous.
  - E. the person who makes the decision is also responsible for terminating the project.

Chapter - Chapter 07 #43  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

44. Ensuring that the person who makes the decision is different from the person who evaluates that decision is recommended mainly to:  
(p. 194)
- A.** minimize escalation of commitment.
  - B. avoid making decisions in the future.
  - C. increase the incidence of an implicit favourite.
  - D. minimize reliance on an implicit favourite.
  - E. increase the incidence of satisficing.

Chapter - Chapter 07 #44  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

45. Establishing a preset level at which the decision is abandoned or re-evaluated is recommended mainly to:  
(p. 194)
- A. minimize reliance on an implicit favourite.
  - B. avoid relying on mental models to recognize problems or opportunities.
  - C.** minimize escalation of commitment.
  - D. minimize problem identification.
  - E. reduce the incidence of satisficing.

Chapter - Chapter 07 #45  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

46. In decision making, creativity is used:  
(p. 194) A. to find problems  
B. to identify alternatives  
C. to implement solutions more effectively  
**D.** to assist all stages of decision making.  
E. creativity is not part of the decision-making process

Chapter - Chapter 07 #46  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

47. The creative process includes, in order, the following stages:  
(p. 195) A. incubation—verification—escalation—satisficing  
B. verification—satisficing—preparation—insight  
C. insight—verification—escalation—incubation  
**D.** preparation—incubation—insight—verification  
E. preparation—verification—escalation—satisficing

Chapter - Chapter 07 #47  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

48. Incubation and verification are:  
(p. 1) **A.** stages of the creative process  
B. elements of bounded rationality  
C. elements of the MARS model.  
D. problems with team decision making.  
E. two forms of influence in organizations.

Chapter - Chapter 07 #48  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

49. The first stage of the creative process is:  
(p. 195) A. divergent thinking  
**B.** preparation  
C. experimentation  
D. insight  
E. intuition

Chapter - Chapter 07 #49  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

50. Convergent thinking mainly improves what stage of the creative process?  
(p. 195) A. Incubation  
B. Insight  
C. Preparation  
D. All of these statements are correct  
**E.** Convergent thinking does not improve any part of the creative process.

Chapter - Chapter 07 #50  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 4

51. An executive was trying to think of ways to increase sales of ballpoint pens among young people. While walking down a street with lots of neon signs, the executive got the idea that young people would want to buy pens with ink in bright neon colours and with pen containers that glow in the dark. This situation is an example of:
- A.** divergent thinking.
  - B. escalation of commitment.
  - C. devil's advocacy.
  - D. bounded rationality.
  - E. programmed decision making.

Chapter - Chapter 07 #51  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

52. Divergent thinking mainly contributes to which of the following?
- A. Bounded rationality
  - B. The rationality choice decision model
  - C. Groupthink
  - D. Organizational politics
  - E.** Creativity

Chapter - Chapter 07 #52  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

53. A marketing specialist needed to find a new way of marketing the company's main product to clients. While watching a movie one evening, the marketing specialist saw a scene that gave her inspiration for a new marketing plan. According to the creative process model, the stage in this creative process after inspiration is:
- A. preparation
  - B. incubation
  - C.** verification
  - D. insight
  - E. morphological analysis

Chapter - Chapter 07 #53  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

54. Divergent thinking increases the level of:
- A. programmed decision making.
  - B.** creativity.
  - C. bounded rationality.
  - D. escalation of commitment.
  - E. Divergent thinking improves none of these decision processes.

Chapter - Chapter 07 #54  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

55. Which of the following occurs during the incubation stage of the creative process?
- A. Escalation of commitment
  - B. Prospect theory effect
  - C. Convergent thinking
  - D.** Divergent thinking
  - E. Decision choice

Chapter - Chapter 07 #55  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

56. In the creative process, insight:  
(p. 195) A. produces a well-developed and tested solution to problems.  
B. follows the verification stage.  
C. almost always occurs at night, rarely during the daytime.  
D. is the opposite of divergent thinking.  
**E.** is none of these statements.

Chapter - Chapter 07 #56  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

57. Insight and verification are:  
(p. 195) A. two symptoms of groupthink.  
B. the first two stages of creativity.  
C. the two main differences between brainstorming and electronic brainstorming.  
**D.** the last two stages of the creative process.  
E. the first two stages of evaluation apprehension.

Chapter - Chapter 07 #57  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

58. Which of these statements about creativity is FALSE?  
(p. 196) **A.** Very few people are creative.  
B. Creative people have above-average intelligence.  
C. Creative people tend to have a high need for achievement.  
D. People tend to be more creative when they possess a good foundation of knowledge and experience on the subject.  
E. Mental models potentially interfere with creativity.

Chapter - Chapter 07 #58  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

59. People who are creative thinkers:  
(p. 196) A. are generally less creative than people with an analytic thinking style.  
B. have a strong tendency to follow fixed patterns of behaviour.  
**C.** are persistent.  
D. prefer spending their time improving existing things rather than creating new things.  
E. are all of the above.

Chapter - Chapter 07 #59  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

60. The creative potential of a person tends to increase with his or her:  
(p. 196) A. ability to synthesize information.  
B. ability to analyze ideas.  
C. ability to apply ideas.  
D. ability to be persistent.  
**E.** All of these statements are correct.

Chapter - Chapter 07 #60  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

61. Which of these statements about creativity is TRUE?  
(p. 196) A. Creativity is found in only 15 per cent of the adult population in Canada.  
B. Creative people have no knowledge of the fundamental issues on that decision problem.  
C. Creativity is strongest when employees have formed strong mental models.  
D. Creative people have a strong need for social approval.  
**E.** Creative people possess sufficient knowledge and experience on the subject.

Chapter - Chapter 07 #61  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 4

62. Need for stimulation, the ability to synthesize ideas, and low need for social approval are characteristics of:  
(p. 196-197)
- A.** people who tend to be more creative.
  - B. convergent thinkers.
  - C. employees with a high evaluation apprehension.
  - D. people who conform to peer pressure in decision making.
  - E. people who are anarchists and anti-social.

Chapter - Chapter 07 #62  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

63. Employees tend to be more creative when they:  
(p. 196-197)
- A. avoid risk-taking.
  - B. enjoy abiding by rules and status.
  - C. have a high need for social approval.
  - D. value obedience to their bosses.
  - E.** have none of these characteristics.

Chapter - Chapter 07 #63  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

64. You have just received seed money for a new internet business and you want to hire a dozen people with a lot of creative potential. To hire the most creative people, you would select applicants who:  
(p. 196-197)
- A. have no experience in this industry, have high analytic intelligence, and have a relatively low need for achievement.
  - B.** value self-direction, have a high degree of nonconformity, and have a relatively low need for affiliation.
  - C. have strong mental models regarding their field of knowledge, have high synthetic intelligence, and have a relatively low need for social approval.
  - D. try to avoid taking risks, have a high need for achievement, and have a high need for social approval.
  - E. have none of these sets of characteristics.

Chapter - Chapter 07 #64  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 4

65. Jamaal doesn't particularly like to abide by meaningless rules, is not bothered by ambiguous situations, is willing to take a chance by making mistakes and is less concerned about social approval than most other employees. Jamaal probably has:  
(p. 196-197)
- A. a bad attitude.
  - B.** an inventive thinking style.
  - C. a strong aversion to authority.
  - D. a high risk of engaging in groupthink.
  - E. a deep respect for the irrational choice paradigm.

Chapter - Chapter 07 #65  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

66. Organizations can improve creativity by:  
(p. 197)
- A. discouraging employees from making mistakes.
  - B.** giving employees the freedom to pursue novel ideas and accepting they will make reasonable mistakes.
  - C. giving employees tight deadlines to develop new ideas.
  - D. all of these statements are correct.
  - E. none of these actions improve creativity.

Chapter - Chapter 07 #66  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

67. People tend to be more creative when:  
(p. 197) **A.** they have a reasonable level of job security.  
B. they are secluded from colleagues in other areas of the organization.  
C. they risk losing their job if their ideas fail.  
D. they lack personal freedom to try things out.  
E. they have all of these conditions.

Chapter - Chapter 07 #67  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

68. An important resource for creativity is:  
(p. 197) **A.** open communications.  
B. programmed decision routines.  
C. a job where you work alone.  
D. a performance-based reward system.  
E. a high level of pressure to perform.

Chapter - Chapter 07 #68  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

69. You have just been assigned the task of developing an innovative new product, using people from engineering, marketing, purchasing and one or two other departments in the organization. To help the group to be as creative as possible, you would:  
(p. 198) **A.** give the team a very tight deadline to come up with a creative idea.  
B. threaten to fire any team member who suggests a silly idea that wastes time in the product-development process.  
C. encourage competition among team members as to who has the best job performance.  
**D.** move these employees out of their departments and into a common area where they can continuously communicate with each other.  
E. apply all of these activities.

Chapter - Chapter 07 #69  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

70. A learning orientation is:  
(p. 197) **A.** an important condition for creativity.  
B. one of four causes of escalation of commitment.  
C. one of the outcomes of the prospect theory effect.  
D. a personal characteristic of someone who has low creative potential.  
E. the label given to people who learn but are not creative in their learning.

Chapter - Chapter 07 #70  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

71. Which of the following is a creative practice?  
(p. 198) **A.** Asking people unfamiliar with the issue to explore the problem with you.  
B. Looking through the notes and files of past projects.  
C. Performing morphological analysis.  
**D.** All of these statements improve creativity.  
E. None of these statements improves creativity

Chapter - Chapter 07 #71  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

72. What do impromptu storytelling, morphological analysis, and artwork have in common?  
(p. 198)
- A. They are forms of cross-pollination.
  - B. They increase the risk of bounded rationality.
  - C.** They are forms of associative play.
  - D. They significantly weaken the creative process.
  - E. They are mainly used to improve the rational choice process.

Chapter - Chapter 07 #72  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

73. Associative play, morphological analysis, and cross-pollination are three strategies to:  
(p. 198)
- A. increase group polarization.
  - B. apply brainstorming more exactly as originally described by Osborn.
  - C. increase conformity to peer pressure.
  - D.** improve creativity.
  - E. make the problem-finding stage of decision making less emotional.

Chapter - Chapter 07 #73  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

74. Which of the following would be considered employee involvement?  
(p. 199)
- A. A legally mandated union-management health and safety committee.
  - B. A supervisor casually asking an employee whether the company should adopt a new type of work schedule.
  - C. A computer program that allows employees to submit information and ideas.
  - D. An arrangement whereby employees elect two colleagues to the company's Board of Directors.
  - E.** All of these statements are considered employee involvement.

Chapter - Chapter 07 #74  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5

75. Employee involvement tends to have which of the following benefits in decision making?  
(p. 199)
- A. Leads to a more accurate definition of the problem.
  - B. Improves the number and quality of alternative solutions.
  - C. Increases the likelihood of selecting the best alternative.
  - D. Strengthens employee commitment to the solution.
  - E.** All of these statements are correct.

Chapter - Chapter 07 #75  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5

76. Which of the following questions is NOT explicitly considered in the contingencies of employee involvement?  
(p. 200-201)
- A.** Do subordinates need to develop their decision-making skills?
  - B. Is conflict among subordinates over preferred solutions likely?
  - C. Is the problem well structured?
  - D. How important is subordinate commitment to the decision?
  - E. Do subordinates have sufficient information to make a high-quality decision?

Chapter - Chapter 07 #76  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 5

77. The preferred level of employee involvement depends on:  
(p. 200)
- A. Source of decision knowledge
  - B. Risk of conflict
  - C. Decision structure
  - D. Decision commitment
  - E.** The preferred level of involvement depends on all of these factors.

Chapter - Chapter 07 #77  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5

78. The contingencies of employee involvement include all of the following EXCEPT:  
(p. 200-201)
- A. Source of decision knowledge
  - B.** Decision quantity
  - C. Decision structure
  - D. Decision commitment
  - E. Risk of conflict

Chapter - Chapter 07 #78  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5

79. The benefits of employee involvement increase with:  
(p. 199)
- A. the routineness and similarity of the problem or opportunity.
  - B. management's knowledge of the situation.
  - C. the standardization and repetitiveness of the problem or opportunity.
  - D. the number and similarity of employees involved in the decision.
  - E.** the novelty and complexity of the problem or opportunity.

Chapter - Chapter 07 #79  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 5

80. Employee involvement is LESS valuable or successful when:  
(p. 200-201)
- A. decisions are programmed.
  - B. employees are committed to decisions made by their bosses.
  - C. employees have the same information as their bosses.
  - D. employee norms conflict with organizational goals.
  - E.** all of the above conditions exist.

Chapter - Chapter 07 #80  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 5

81. Which of the following is NOT explicitly identified as a contingency of employee involvement?  
(p. 200-201)
- A.** Divergent thinking
  - B. Decision structure
  - C. Decision commitment
  - D. Risk of conflict
  - E. Source of decision knowledge

Chapter - Chapter 07 #81  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5

82. Employees probably should not make the decision alone (without the manager's involvement) when:  
(p. 201)
- A.** their goals and norms conflict with the organization's objectives.
  - B. they lack commitment to decisions made by the boss alone.
  - C. they possess more knowledge than the manager.
  - D. employees are likely to disagree with each other regarding the preferred solution.
  - E. the problem calls for a nonprogrammed decision.

Chapter - Chapter 07 #82  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 5

83. A higher rather than lower level of employee involvement is preferable when:  
(p. 200) A. management and employees possess the same information regarding the problem.  
**B.** the problem relates to a nonprogrammed decision.  
C. employees goals and norms conflict with the organization's objectives.  
D. employees are likely to disagree with each other regarding the preferred solution.  
E. all of these conditions exist.

Chapter - Chapter 07 #83  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 5

84. Decision structure, risk of conflict, and decision commitment are:  
(p. 200-201) A. three conditions required for bounded rationality.  
B. factors that support implicit favourites.  
**C.** contingencies of employee involvement.  
D. causes of escalating commitment.  
E. constraints of team decision making.

Chapter - Chapter 07 #84  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 5

85. If employee goals and norms conflict with the organization's goals, then:  
(p. 201) A. employees should make most decisions in the organization.  
B. employees should be invited to make recommendations on important ideas, which are almost always accepted by management.  
C. employees should never be involved in organizational decisions.  
**D.** employees should have a low level of employee involvement.  
E. employees should belong to self-directed work teams.

Chapter - Chapter 07 #85  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5

86. Decision making is an unconscious process of moving toward a desirable state of affairs.  
(p. 182) **FALSE**

Chapter - Chapter 07 #86  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 1

87. The rational choice paradigm states that effective decision makers begin at any step in the model.  
(p. 182) **FALSE**

Chapter - Chapter 07 #87  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 1

88. Ill-defined problems require a non-programmed decision process.  
(p. 183) **TRUE**

Chapter - Chapter 07 #88  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 1

89. If a decision maker encounters the same problem several times, he or she can increasingly rely on non-programmed decision routines to solve the problem.  
(p. 183) **FALSE**

Chapter - Chapter 07 #89  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 1

90. Subjective expected utility refers to how much the selected alternative benefits or satisfies the decision maker.

(p. 182)

**TRUE**

Chapter - Chapter 07 #90  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 1

91. The last step in the rational decision-making model is to evaluate the decision outcomes.

(p. 184)

**TRUE**

Chapter - Chapter 07 #91  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 1

92. The decision maker's emotions play an important role in his or her identification of a problem or opportunity.

(p. 184)

**TRUE**

Chapter - Chapter 07 #92  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 1

93. The textbook argues that problem identification is usually the least important step in the rational choice paradigm.

(p. 184-185)

**FALSE**

Chapter - Chapter 07 #93  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 2

94. One reason why the problem identification stage is imperfect is that various stakeholders try to "frame" the decision maker's view of the situation.

(p. 184)

**TRUE**

Chapter - Chapter 07 #94  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

95. Our mental models of the world can prevent us from recognizing emerging problems in the workplace.

(p. 185)

**TRUE**

Chapter - Chapter 07 #95  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

96. The decision-making process is more effective when problems are defined in terms of their solutions.

(p. 185)

**FALSE**

Chapter - Chapter 07 #96  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 2

97. Decision makers have a need to reduce uncertainty, so they tend to focus on solutions before fully understanding the problem.

(p. 185)

**TRUE**

Chapter - Chapter 07 #97  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 2

98. Decision makers can discover blind spots in problem identification by discussing the situation with other people.

(p. 187)

**TRUE**

Chapter - Chapter 07 #98  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 2

99. According to bounded rationality theory, people make better decisions when their perceptions are "bounded" or framed by past experience.

**FALSE**

Chapter - Chapter 07 #99  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

100. Bounded rationality adopts the main assumptions of the rational choice paradigm of decision making.

**FALSE**

Chapter - Chapter 07 #100  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

101. To choose the best solution, decision makers need clear organizational goals that do not conflict with each other.

**TRUE**

Chapter - Chapter 07 #101  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 2

102. The rational choice paradigm assumes that decision makers have limited information-processing capabilities and engage in a limited search for alternatives.

**FALSE**

Chapter - Chapter 07 #102  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

103. Decision makers typically look at alternatives sequentially and compare each alternative to an implicit favourite.

**TRUE**

Chapter - Chapter 07 #103  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

104. Satisficing occurs when people continue on a failing course of action.

**FALSE**

Chapter - Chapter 07 #104  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 2

105. Clustering illusion causes us to see patterns from a small sample of events, when in fact those events are random.

**TRUE**

Chapter - Chapter 07 #105  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

106. Representativeness heuristics is a natural tendency to pay less attention to whether something resembles something else than on more precise statistics about its probability.

**FALSE**

Chapter - Chapter 07 #106  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 2

107. When decision makers tend not to evaluate various alternatives when they find an opportunity.

**TRUE**

Chapter - Chapter 07 #107  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 2

108. Intuition allows us to draw on our tacit knowledge to guide our decision preferences.

(p. 191) **TRUE**

Chapter - Chapter 07 #108  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 3

109. According to almost all organizational behaviour research, intuitive decision making causes us to make wrong decisions.

(p. 191) **FALSE**

Chapter - Chapter 07 #109  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

110. The emerging emotional view of decision making states that people form preferences toward alternatives as soon as they receive information about those alternatives.

(p. 190) **TRUE**

Chapter - Chapter 07 #110  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 3

111. When in a positive mood, people pay more attention to details and follow a nonprogrammed decision routine.

(p. 190) **FALSE**

Chapter - Chapter 07 #111  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

112. When making important decisions, emotional marker guide our preference among the decision alternatives.

(p. 190) **TRUE**

Chapter - Chapter 07 #112  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

113. Intuition is the main strategy to minimize escalation of commitment.

(p. 191) **FALSE**

Chapter - Chapter 07 #113  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

114. Intuition includes any emotional signals we experience regarding a situation.

(p. 191) **FALSE**

Chapter - Chapter 07 #114  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 3

115. Intuition is based on well-grounded mental models.

(p. 191) **TRUE**

Chapter - Chapter 07 #115  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

116. Whether or not the emotions we experience in a situation represent intuition depends largely on our level of experience in that situation.

(p. 191) **TRUE**

Chapter - Chapter 07 #116  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

117. Systematic evaluation of alternatives helps to increase the use of implicit favourites and satisficing in the decision process.

(p. 192)

**FALSE**

Chapter - Chapter 07 #117  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

118. Scenario planning is a structured process that helps decision makers explore potential problems and choose the best solutions under different future conditions.

(p. 192)

**TRUE**

Chapter - Chapter 07 #118  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

119. Post-decisional justification causes decision makers to forget what decision they made.

(p. 192)

**FALSE**

Chapter - Chapter 07 #119  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

120. Post-decisional justification gives people an excessively optimistic evaluation of their decisions, until they receive very clear and undeniable information to the contrary.

(p. 192)

**TRUE**

Chapter - Chapter 07 #120  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

121. Escalation of commitment occurs when employees increase their support for a decision because most of their colleagues also support that decision.

(p. 193)

**FALSE**

Chapter - Chapter 07 #121  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 3

122. Prospect theory and self-justification are the main causes of satisficing.

(p. 193)

**FALSE**

Chapter - Chapter 07 #122  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

123. Escalation of commitment is more likely to occur when the perceived costs of terminating the project are high or unknown.

(p. 194)

**TRUE**

Chapter - Chapter 07 #123  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 3

124. Escalation of commitment may be corrected by ensuring that those involved in choosing decision alternatives are also responsible for evaluating the implemented solution.

(p. 194)

**FALSE**

Chapter - Chapter 07 #124  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 3

125. Creativity occurs only in a few types of decisions.

(p. 194)

**FALSE**

Chapter - Chapter 07 #125  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

126. Creativity should be used only in cases of non-programmed problems.

(p. 194) **FALSE**

Chapter - Chapter 07 #126  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

127. The incubation stage of creativity is more effective when the decision maker sets aside all other activities and focuses attention on the issue or problem.

(p. 195) **FALSE**

Chapter - Chapter 07 #127  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 4

128. Incubation is the stage of creativity in which the problem is simmering at the back of your mind while you are doing something else.

(p. 195) **TRUE**

Chapter - Chapter 07 #128  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

129. Divergent thinking occurs when the individual has a fleeting inspiration that is usually forgotten before it can be written down.

(p. 195) **FALSE**

Chapter - Chapter 07 #129  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

130. The ideas that appear during the insight stage of creativity are quickly forgotten unless documented.

(p. 195) **TRUE**

Chapter - Chapter 07 #130  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

131. The ideas that form during the insight stage of creativity need to be verified through conscious evaluation and experimentation.

(p. 195) **TRUE**

Chapter - Chapter 07 #131  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

132. People are creative because they work in creative environments, not because of any differences in their ability or personality.

(p. 196) **FALSE**

Chapter - Chapter 07 #132  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4

133. Creative people tend to have a high need for social approval.

(p. 197) **FALSE**

Chapter - Chapter 07 #133  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

134. Typically, creative people possess less knowledge and experience on the subject than experts in the field.

(p. 196) **FALSE**

Chapter - Chapter 07 #134  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4

135. Knowledge and experience can undermine creativity, because it can lead to routinization of that knowledge.  
(p. 196) **TRUE**  
*Chapter - Chapter 07 #135  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 4*
136. Creativity is related to both the characteristics of creative people and the situation in which they work.  
(p. 197) **TRUE**  
*Chapter - Chapter 07 #136  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4*
137. Creative people value self-direction, but also have a strong need to follow rules.  
(p. 197) **FALSE**  
*Chapter - Chapter 07 #137  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4*
138. Creative people have a high degree of non-conformity and have less concern about social approval.  
(p. 197) **TRUE**  
*Chapter - Chapter 07 #138  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4*
139. Employees tend to be less creative in organizations that punish failure.  
(p. 197) **TRUE**  
*Chapter - Chapter 07 #139  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4*
140. Task significance and autonomy are important conditions for creativity in organizations.  
(p. 197) **TRUE**  
*Chapter - Chapter 07 #140  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4*
141. Creativity tends to suffer during times of downsizing and corporate restructuring.  
(p. 197) **TRUE**  
*Chapter - Chapter 07 #141  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4*
142. Creativity occurs by redefining the problem, not just by finding a unique solution to the existing problem.  
(p. 198) **TRUE**  
*Chapter - Chapter 07 #142  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4*
143. People are the most creative when management puts intense pressure on them to produce creative ideas.  
(p. 198) **FALSE**  
*Chapter - Chapter 07 #143  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4*

144. Creative ideas can emerge when asking people unfamiliar with the problem to explore the problem with you.  
(p. 198) **TRUE**
- Chapter - Chapter 07 #144  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4
145. Art classes and improvisational theatre are two creative activities of associative play.  
(p. 197) **TRUE**
- Chapter - Chapter 07 #145  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 4
146. Morphological analysis is a test to identify people with a creative personality.  
(p. 197) **FALSE**
- Chapter - Chapter 07 #146  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 4
147. A potentially useful creative practice is to list different dimensions of a system and the elements of each dimension, then think through the potential commercial usefulness of each combination.  
(p. 198) **TRUE**
- Chapter - Chapter 07 #147  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 4
148. Employee involvement mainly refers to controlling resources for one's own job.  
(p. 199) **FALSE**
- Chapter - Chapter 07 #148  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 5
149. The higher the level of employee involvement, the more influence people have over the decision process.  
(p. 199) **TRUE**
- Chapter - Chapter 07 #149  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5
150. The highest level of employee involvement occurs when employees are asked to make recommendations to managers, who then decide whether to implement them.  
(p. 199) **FALSE**
- Chapter - Chapter 07 #150  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5
151. Employee involvement potentially improves decision-making quality and commitment.  
(p. 199) **TRUE**
- Chapter - Chapter 07 #151  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5
152. Employee involvement tends to weaken synergy in the decision-making process.  
(p. 199) **FALSE**
- Chapter - Chapter 07 #152  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 5

153. Employee involvement improves the number and quality of solutions.  
(p. 199) **TRUE**

Chapter - Chapter 07 #153  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5

154. Employees are more likely to be committed to implementing a solution when they are involved in making the decision.  
(p. 199) **TRUE**

Chapter - Chapter 07 #154  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 5

155. To make the best decisions, the number of employees involved should be minimized.  
(p. 199) **FALSE**

Chapter - Chapter 07 #155  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 5

156. The optimum level of employee involvement depends on the situation.  
(p. 200) **TRUE**

Chapter - Chapter 07 #156  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 5

157. The highest level of employee involvement should occur when the problem is structured (i.e. it is a programmed decision).  
(p. 200) **FALSE**

Chapter - Chapter 07 #157  
Difficulty: Difficult  
Gradable: automatic  
Learning Objective: 5

158. Two contingencies of employee involvement are decision commitment and risk of conflict.  
(p. 200) **TRUE**

Chapter - Chapter 07 #158  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 5

159. Employees should not make the final decision alone when conflict is likely among employees.  
(p. 201) **TRUE**

Chapter - Chapter 07 #159  
Difficulty: Medium  
Gradable: automatic  
Learning Objective: 5

160. Describe the rational choice paradigm of decision making.

(p. 182-184)

Problem identification marks the first stage in the process whereby the individual becomes aware of a problem or opportunity and tries to understand why it exists. Next, the decision maker chooses the best decision style for this problem or opportunity, such as whether to involve others or make the decision alone, whether to treat the issue as routine or unique, and so on.

Third, the decision maker develops alternative solutions. This involves searching for existing solutions to the problem and possibly designing a custom-made solution. Fourth, the decision maker chooses the best solution from the available alternatives. This is followed by the process of implementing the solution. The final stage involves evaluating the implemented decision.

Chapter - Chapter 07 #160  
Difficulty: Easy  
Gradable: manual  
Learning Objective: 1

161. A large financial institution is losing market share to savvy upstart companies, and it has asked its top marketing executive to identify the main reasons for the sliding fortunes. Describe three barriers that might cause the marketing executive to poorly identify the problem(s). An illustrative example in this context should be included for each barrier.  
(p. 184-185)

The textbook identifies five concerns with problem identification. Students need to discuss only three of these.

**Stakeholder Framing.** Several people interviewed by the marketing executive might try to frame his/her view of the problem to suit their particular interests. For example, the information technology manager might claim that the bank needs to spend more on IT infrastructure to satisfy customers' evolving needs.

**Perceptual Defence.** The marketing executive might ignore or overlook the possibility that some of his past decisions caused the sliding market share, such as a poorly designed advertising campaign.

**Mental Models.** The marketing executive might have a strong mindset regarding the cause of market share problems, which prevents him/her from thinking about completely different causes. For example, the executive might have a mental model that market share increases with advertising expenses.

**Decisive Leadership.** Managers try to be decisive in their decisions, which cause them to short-circuit the diagnostic stage of problem identification. The marketing manager might try to look executive savvy by quickly identifying the cause of sliding market share without actually spending much time investigating various possible causes.

**Solution-Focussed Problems.** The marketing manager might have a preferred solution (e.g. spending more on advertising), and consequently will define the problem as the need for more advertising rather than define the problem as a problem, of which more advertising might be a solution.

*Chapter - Chapter 07 #161  
Difficulty: Medium  
Gradable: manual  
Learning Objective: 2*

162. Executives at Switched Enterprises Ltd. want to partner with companies in other regions to distribute their Internet routers and electronic switching equipment. They want to make the decision systematically, but realize that it is not easy to determine whether a particular company will be able to provide effective distribution for this new product area. Discuss three (3) human limitations or problems that might make it difficult for Switched Enterprises executives to choose the best alternative.  
(p. 187-189)

The textbook identifies six problems or limitations in the process of choosing from alternatives, based on observations from organizational behaviour. Students may select any three of these.

**Ambiguous/conflicting goals.** We need clear organizational goals to choose the best solution, but these goals are often ambiguous or in conflict with each other. Moreover, Switched's executives might not completely agree on the goals or their relative priority.

**Implicit favourite.** Decision makers tend to compare each alternative against an implicit favourite rather than objectively assessing all alternatives against each other. The problem with the implicit favourite approach is that decision makers are usually biased in favour of their implicit favourite. This, along with the satisficing and sequential decision-making problems, results in a less neutral and complete evaluation of each alternative.

**Sequential decision making.** Decision makers typically look at alternatives sequentially rather than examining all alternatives at the same time. This, along with the satisficing and implicit favourite problems, results in a less neutral and complete evaluation of each alternative.

**Satisficing.** Decision makers tend to select the alternative that is acceptable or 'good enough,' rather than the best possible solution. This, along with sequential analysis, results in selecting the alternative that is less than the best one.

**Limited information processing.** Decision makers can't possibly think through all of the possible alternatives and their outcomes, so they engage in a limited search for and evaluation of alternatives. For example, these executives wouldn't be able to think about all possible consequences of selecting each partner company overseas.

*Chapter - Chapter 07 #162  
Difficulty: Medium  
Gradable: manual  
Learning Objective: 2*

163. Millions of dollars were wasted on the development of a new machine-made potato chip, at Fancy Chips Ltd. As a result, the Board of Directors of the food-processing firm fired the CEO who had proposed and championed the product's development. The new CEO's first task is to find out why this monumental waste of money had occurred and how it can be prevented in the future. Provide three possible explanations why this escalation of commitment occurred at Fancy Chips Ltd.  
(p. 193-194)

(Note: This question is similar to discussion question 4 in the textbook). Students may identify any three of the four causes of escalation described in the textbook and highlighted below.

Self-justification. Cancelling the potato chip development may have suggested that the CEO (who originally proposed and championed the product) made a bad decision, whereas continuing the development would be a vote of confidence towards his leadership ability. The CEO also may have continued the project if he had linked the product's development to the company's future success. To reverse this position would convey an image of inconsistent leadership.

Prospect theory effect. People have more aversion to losses than to gains, and they are more willing to risk taking losses than receiving gains. Thus, the CEO may have poured more money in because it would be more painful to stop the project.

Closing costs. Discontinuing the product's development might have high financial costs for the company, if this means laying-off many people. It would certainly represent a high cost to the CEO's image as a leader.

Perceptual blinders. The CEO may have had perceptual blinders; he or she may have unconsciously denied or neutralized negative information about the decision, such as cost overruns and product-development delays.

*Chapter - Chapter 07 #163  
Difficulty: Medium  
Gradable: manual  
Learning Objective: 3*

164. In the late 1970s, the Premier of British Columbia announced that the province would host a transportation exhibition in 1986 with a modest budget of only \$78 million. On at least two occasions, administrators recommended cancelling the exposition due to cost overruns and labour troubles, but the government decided to continue with the project. But by the end of Expo 86, the budget exceeded \$1.5 billion with a deficit of \$300 million. Using your knowledge of escalation of commitment, discuss four possible reasons why the government might have been motivated to continue with the project.

(p. 193-194)

(Note: This question is similar to discussion question 4 in the textbook. This incident is described in J. Ross and B. M. Staw, 'Expo 86: An Escalation Prototype', *Administrative Science Quarterly*, 31, 1986, pp. 379-91). Students may identify any three of the four causes of escalation described in the textbook and highlighted below.

**Perceptual blinders.** Government leaders may have had perceptual blinders; they may have unconsciously denied or neutralized negative information about the decision. (In fact, staff reports produced in the early stages of Expo 86 warned of project escalations, but they were either ignored or downplayed by the British Columbia government. Moreover, government leaders presented overoptimistic revenue expectations and they lightly dismissed criticisms of these estimates.)

**Self-justification.** Cancelling Expo 86 would have suggested that the Premier of British Columbia (who originally proposed the fair) made a bad decision, whereas continuing the fair would be a vote of confidence towards his leadership ability. The Premier also may have continued the project because he had repeatedly emphasized the value of the project and to reverse this position would convey an image of inconsistent leadership. Finally, the Premier's decision was face-saving for the entire province because cancellation would jeopardize British Columbia's image as a place where challenges are accomplished rather than abandoned.

**Closing costs.** Discontinuing Expo 86 would have had both economic and political closing costs. (In fact, it was estimated in 1984 that the purely economic price of cancelling Expo 86 was \$80 million.) The government had hitched its reputation to the success of Expo 86, so the political costs of cancelling the project would have been very high.

**Prospect theory effect.** People have more aversion to losses than to gains, and they are more willing to risk taking losses than receiving gains. Thus, the Premier may have poured more money in because it would be more painful to stop the project. In other words, they may have had inflated expectations of their ability to overcome problems that faced the project.

*Chapter - Chapter 07 #164*  
*Difficulty: Medium*  
*Gradable: manual*  
*Learning Objective: 3*

165. After Crispy Foods Ltd. had poured millions of dollars into the development of a new machine-made potato chip, the Board of Directors of the food-processing firm fired the CEO who had proposed and championed the product's development. The new CEO's first task is to find out why this monumental waste of money had occurred and how it can be prevented in the future. Describe two possible ways that the new CEO at Crispy Foods Ltd. can prevent or minimize this escalation of commitment in the future. Your answer must refer to this specific incident.

(p. 194)

There are several ways to minimize the risk of escalation of commitment. Four common strategies found in the textbook are described below. Students can describe any two of these or may suggest other solutions that logically minimize the escalation problem.

Separate decision evaluator from decision maker. The CEO decided to start the project and was the main person to decide when the project should be abandoned. Due to the problem of saving face, these roles should be assigned to different people. In this respect, it is risky to have the CEO directly involved with a corporate project. Instead, the CEO should support product ideas, but remain sufficiently neutral to be able to terminate these projects.

Stop-loss order. To reduce the risk of high expenditures, the company might try to introduce a stop-loss system in which the CEO and others are prevented from spending money on a project beyond a fixed amount or a certain percentage of expected revenue from the product. In effect, the project would be abandoned if it reaches maximum development expenditures.

Use a source of systemic and clear feedback. This strategy helps in estimating the true cost of projects, and reduces ambiguous information that contributes to escalation of commitment.

Involve others. Escalation of commitment is less likely to occur when other people are involved in the decision process because they monitor the key decision maker and see the issue from different perspectives.

*Chapter - Chapter 07 #165  
Difficulty: Medium  
Gradable: manual  
Learning Objective: 3*

166. Describe the four stages of the creative process.

(p. 195-196)

Preparation. In this stage, you gather the necessary information and materials and learn about the elements of the problem or issue.

Incubation. This is the stage of reflective thought. You put the problem aside, but your mind is still working on it subconsciously.

Insight. At some point during the incubation stage, you become aware of a unique idea. These flashes of inspiration are fleeting and can be lost quickly if not documented.

Verification. Insights are merely rough ideas, so you need to develop them through evaluation and experimentation.

*Chapter - Chapter 07 #166  
Difficulty: Easy  
Gradable: manual  
Learning Objective: 4*

167. Incubation is a unique activity in organizational settings for increasing creativity. Describe this stage of creativity and explain what employees need to do to improve the incubation process.  
(p. 195)

Incubation is the stage of reflective thought where we put the problem aside but our mind is still working on it in the background. The important condition here is to maintain a low-level awareness by frequently revisiting the problem. Incubation does not mean that you forget about the problem or issue. Companies encourage incubation by giving employees the freedom to put their work aside and engage in some other activity—usually a non-work activity. For example, some creative places let employees play with toys; others let employees watch a movie, etc. This process of putting the problem aside dissolves fixed perspectives of the problem and assists divergent thinking—reframing the problem in a unique way and generating different approaches to the issue.

*Chapter - Chapter 07 #167*

*Difficulty: Easy*

*Gradable: manual*

*Learning Objective: 4*

168. WesTech Components wants to hire several people for jobs requiring a high degree of creativity. Identify three individual characteristics that WesTech should consider when selecting job applicants who have a high potential for creativity.  
(p. 196-197)

The textbook describes several characteristics of creative people. Students need to discuss any three of these:

**Intellectual abilities.** Students might identify this general category, but they should discuss one or more of the three specific intellectual abilities characteristic of creative people. First, creative people have synthetic intelligence by recognizing the significance of small bits of information and are able to connect them in ways that no one else could imagine. Second, creative people use their analytic intelligence—their IQ—to evaluate the potential usefulness of their ideas. Third, creative people have practical ability. They can see how their ideas can be applied in the real world.

**Relevant knowledge and experience.** Employees are more creative when they possess a good foundation of knowledge and experience on the subject. Some students might also note that lengthy experience isn't always an asset in creativity because it creates mental models that block alternative ways of seeing the environment.

**Motivation and persistence.** Creative people have a high need for achievement and at least a moderate degree of self-confidence. These characteristics make them persistent in their efforts.

**Inventive thinking style.** Although this is discussed as one characteristic, students might identify specific elements of this as different characteristics. Creative people think in novel ways rather than following set patterns. They take a broad view of problems, don't like to abide by rules or status and are less concerned about social approval of their actions. Creative people are risk-takers. They are not bothered about working with ambiguous information or issues and are willing to take the chance of making mistakes.

*Chapter - Chapter 07 #168*

*Difficulty: Medium*

*Gradable: manual*

*Learning Objective: 4*

169. Comment on the accuracy of the following statement: 'Creativity increases with the individual's years of experience in that field of activity.'

(p. 196)

(Note: This is similar to discussion question 8 in the textbook.) The best answer here might be 'it depends' or 'yes, to some extent'. It is certainly not a clear-cut 'yes' or 'no'. The textbook explains that people are most creative after about 10 years in a field of activity. The reason is that discovering new ideas requires knowledge of the fundamentals. On the other hand, lengthy experience isn't always an asset in creativity. Some experts suggest that the more experience we gain, the more we form mental models. These mental models eventually become so ingrained that we cease to question them, so we fail to consider alternative world views. For this reason, some firms claim that they are successful by hiring people with no experience in the same industry.

*Chapter - Chapter 07 #169*

*Difficulty: Medium*

*Gradable: manual*

*Learning Objective: 4*

170. A consumer products company wants more creativity in its research and development operations. The company has spent lots of money on creativity training sessions. These have helped somewhat, but the vice-president of this area believes that the fundamental conditions must be altered to allow more creativity. Describe three conditions (other than training) that this organization should establish to increase the level of creativity in its research and development operations. For each condition, briefly explain how it might improve creativity.

(p. 197-198)

This question asks students to identify specific conditions that support creativity. The textbook identifies three broad categories of conditions, but students tend to present more specific strategies, often more than one in each category.

**Learning orientation.** One of the most important conditions is that the organization has a learning orientation; that is, leaders recognize that employees make reasonable mistakes as part of the creative process.

**Intrinsically motivating work.** This relates back to most of the job characteristics (Chapter 6), including task significance, autonomy and feedback from the job as well as other sources. Other work conditions are self-set creativity goals, feedback and other elements of self-leadership. The textbook also explains that creativity occurs during a state of 'flow', where job challenges are aligned with the employee's competencies.

**Organizational support.** This includes free-flowing communication, sufficient resources, maintaining a reasonable level of job security, receiving some pressure to perform, and having trust in colleagues.

*Chapter - Chapter 07 #170*

*Difficulty: Medium*

*Gradable: manual*

*Learning Objective: 4*

171. Creative Finance Ltd wants to introduce practices that would enhance creativity among employees in solving some of the financial institution's ongoing work process problems. Describe three types of activities that encourage creativity, including a specific example of what might be done in each practice.  
(p. 198)

The three main types of creative practices are presented below, along with specific activities. Students should identify one for each type of practice.

**Redefining the problem.** Creativity experts have suggested various ways to help people to redefine problems. One writer introduced the concept of creative 'jamming'. This involves having a group of people giving a problem or idea a thorough workout-passing it around, tearing it apart, putting it back together, turning it over, and so forth. Another suggestion is to schedule some time to look through the notes and files of past projects. After a few months of neglect, these projects might be seen in new ways. A third strategy, called 'tell me, stranger', involves asking people unfamiliar with the issue (preferably with different expertise) to explore the problem.

**Associative play.** Four associative play activities are described in the textbook: object-oriented chain stories, taking art classes, viewing problems through metaphors and morphological analysis.

**Cross-pollination.** This is accomplished by having employees from different work areas work together on the problem. Cross-pollination also occurs through formal information sessions where people from different parts of the organization share their knowledge. Another strategy is 'displayed thinking', in which people display their work for colleagues to comment on (usually anonymously using post-it notes).

*Chapter - Chapter 07 #171  
Difficulty: Medium  
Gradable: manual  
Learning Objective: 4*

172. Senior management at Candoo Graphics has numerous administrative and client problems. In the past, the company assigned one person (typically a senior executive or department manager) to solve each problem alone. Although no one was prevented from discussing these issues with colleagues, the macho style of most managers was that they could overcome the challenging assignment without anyone's help. The results were usually adequate, but rarely exceptional. A few were disastrous. Senior management is now considering involving employees in these decisions, but it isn't sure how employee involvement makes a difference. Explain to Candoo's managers how employee involvement potentially results in more effective decisions.

(p. 199-200)

The textbook describes three ways that employee involvement improves the quality of decisions and one way in which it improves decision commitment.

**Identifying problems.** Employee involvement may lead to a more accurate definition of the problem. When the organization's activities misalign with customer expectations, employees are usually the first to know. Several people bring more perspectives and knowledge to the decision, so they tend to be better than individuals at developing a more accurate definition of the problem.

**Generating alternative solutions.** Several people tend to generate more alternate solutions to the problem. In a well-managed meeting, team members create synergy by pooling their knowledge to form new alternatives that no one would have designed alone.

**Choosing the best alternative.** Effectively managed teams tend to be better than the average individual at selecting the best alternative. This occurs because members correct each other's biases and limited information-processing capabilities.

**Decision commitment.** Employees who are expected to implement organizational decisions should be involved in choosing the course of action. This participation creates psychological ownership of the decision. Rather than viewing themselves as agents of someone else's decision, staff members feel personally responsible for its success. Consequently, they tend to exhibit less resistance to change and are more motivated to implement these decisions.

*Chapter - Chapter 07 #172  
Difficulty: Medium  
Gradable: manual  
Learning Objective: 5*

173. As director of new projects, you have just learned that cash flow problems have forced your organization to cut back product-development activities. This means that two of the eight projects currently being developed must be terminated, along with the employees working on those projects (about 25 per cent of employees in your unit). You have a good knowledge of these projects as well as the performance and seniority of employees who work in your unit. While some projects clearly have a high chance of success, the long-term potential of a couple of them is unknown. Identify the best level of employee involvement in this situation and describe three factors (contingencies) that support this level of involvement.

(p. 200-201)

This question requires students to consider any three of the four contingencies of employee involvement described in the textbook. One contingency (risk of conflict) has two elements that can be considered separate factors.

Decision structure. This problem is unique, so it lacks structure. This non-programmed decision increases the potential need for employee involvement.

Source of decision knowledge. It seems that you have sufficient information about most aspects of this situation. You don't know the feasibility of some projects, but neither do employees. Thus, a low level of involvement is possible. The brief description suggests that employees have no more information than you do. Thus, a low level of involvement is possible.

Decision commitment. There is a high probability that if you make the decision yourself, employees will follow the decision because you would have legitimate power to lay off redundant employees. Thus, a low level of involvement is possible.

Risk of conflict: (1) Given that some employees will be laid off, it is unlikely that employee goals are compatible with organizational goals here. Thus, a low level of involvement is preferred. (2) Given the threat of layoff, subordinate conflict among the alternatives is high. Thus, a low level of involvement is preferred.

*Chapter - Chapter 07 #173  
Difficulty: Difficult  
Gradable: manual  
Learning Objective: 5*

## 07 Summary

| <u>Category</u>       | <u># of Questions</u> |
|-----------------------|-----------------------|
| Chapter - Chapter 07  | 173                   |
| Difficulty: Difficult | 18                    |
| Difficulty: Easy      | 58                    |
| Difficulty: Medium    | 97                    |
| Gradable: automatic   | 159                   |
| Gradable: manual      | 14                    |
| Learning Objective: 1 | 16                    |
| Learning Objective: 2 | 36                    |
| Learning Objective: 3 | 38                    |
| Learning Objective: 4 | 57                    |
| Learning Objective: 5 | 26                    |