

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) _____ is a field of study devoted to understanding, explaining, and ultimately improving the attitudes and behaviours of individuals and groups in organizations. 1) _____
- A) Organizational behaviour
 - B) Social psychology
 - C) Economics
 - D) Sociology
 - E) Strategic management
- 2) Which of these takes the theories and principles studied in OB and explores the "nuts-and-bolts" applications of those principles in organizations? 2) _____
- A) Economics
 - B) Strategic management
 - C) Sociology
 - D) Human resource management
 - E) Social psychology
- 3) An OB study might explore the relationship between pay and motivation, whereas a(n) _____ study might examine the best way to structure compensation programs. 3) _____
- A) anthropology
 - B) organizational development
 - C) human resource management
 - D) strategic management
 - E) economics
- 4) Which course focuses on the product choices and industry characteristics that affect the organization's profitability? 4) _____
- A) organizational behaviour
 - B) strategic management
 - C) human resource management
 - D) economics
 - E) social psychology

- 5) American Drinks International is a soft drink manufacturer in the carbonated soda industry. The firm is commissioning a study to explore how the company's expansion into the new product segment of tropical fruit flavored soda would affect its profitability. Such a study is addressed in which of these areas? 5) _____
- A) strategic management
 - B) social psychology
 - C) industrial and organizational psychology
 - D) organizational behaviour
 - E) human resource management
- 6) OB research on job performance and individual characteristics draws primarily from studies in 6) _____
- A) strategic management.
 - B) economics.
 - C) marketing.
 - D) industrial and organizational psychology.
 - E) sociology.
- 7) Research on satisfaction, emotions, and team processes found in OB draws heavily from studies in 7) _____
- A) economics.
 - B) marketing.
 - C) sociology.
 - D) strategic management.
 - E) social psychology.
- 8) Models from _____ are used to understand motivation, learning, and decision making in OB. 8) _____
- A) sociology
 - B) marketing
 - C) anthropology
 - D) economics
 - E) strategic management

9) Scenario: Ben Barrack

9) _____

As a student, you have been attending the local university majoring in Business. You have signed up for this course on Organizational Behaviour (OB). You are also working as an assistant manager at a local restaurant where Ben Barrack is the manager. When Ben finds that you enrolled in an OB course, he laughs and says OB is common sense, you don't need a course and that if you take strategic management, it gives you the same information. Ben comments that the only thing he needs to worry about is the job performance of his employees. Having just studied this chapter, respond to the following questions and Ben's comments and beliefs.

As Ben suggested, does strategic management give you the same information as OB?

A) Yes

B) No

10) OB can be contrasted with two other courses commonly offered in management departments: _____ and strategic management.

10) _____

A) operations management

B) human resource management

C) financial management

D) business management

E) project management

11) When a firm expands into a new product segment, it is known as:

11) _____

A) market penetration.

B) market development.

C) product proliferation.

D) concept development.

E) diversification.

12) _____ research is vital to research on team characteristics and organizational structure.

12) _____

A) Social psychology

B) Sociology

C) Industrial and organizational psychology

D) Economics

E) Anthropology

13) _____ research helps inform the study of organizational culture.

13) _____

A) Industrial and organizational psychology

B) Social psychology

C) Sociology

D) Anthropology

E) Economics

- 14) The primary outcomes of interest to organizational behaviour researchers are: 14) _____
- A) organizational culture and organizational structure
 - B) personality and ability
 - C) job performance and organizational commitment
 - D) team processes and team characteristics
 - E) stress and motivation

- 15) According to the integrative model of organizational behaviour, which of the following is an individual outcome? 15) _____
- A) Organizational commitment
 - B) Motivation
 - C) Personality
 - D) Ability
 - E) Job satisfaction

- 16) Scenario: Ben Barrack 16) _____

As a student, you have been attending the local university majoring in Business. You have signed up for this course on Organizational Behaviour. You are also working as an assistant manager at a local restaurant where Ben Barrack is the manager. When Ben finds that you are enrolled in an OB course, he laughs and says OB is common sense, you don't need a course on it and that taking strategic management, it gives you the same information. Ben comments that the only thing he needs to worry about is the job performance of his employees. Having just studied this, respond to the following questions and Ben's comments and beliefs.

Ben suggested that he only needs to worry about the job performance of his employees. After learning about the integrative model of OB, you might explain that there is one other key outcome that he should worry about:

- A) self-actualization
 - B) organizational commitment
 - C) downsizing practicality
 - D) relatedness needs
 - E) none of these
- 17) According to the integrative model of organizational behaviour, the two organizational-level variables that impact individual-level attitudes and behaviours are: 17) _____
- A) organizational culture and organizational structure
 - B) team processes and team characteristics
 - C) personality and ability
 - D) job performance and organizational commitment
 - E) stress and motivation

- 18) According to the integrative model of organizational behaviour, the two types of group-level variables that impact individual-level attitudes and behaviours are: 18) _____
- A) job performance and organizational commitment
 - B) stress and motivation
 - C) leadership styles and team characteristics
 - D) personality and ability
 - E) learning and decision making
- 19) According to the integrative model of organizational behaviour, two of the individual characteristics that impact individual attitudes and behaviours include: 19) _____
- A) organizational culture and organizational structure
 - B) job performance and organizational commitment
 - C) team processes and team characteristics
 - D) stress and motivation
 - E) personality and ability
- 20) The integrative model of organizational behaviour includes a number of individual mechanisms that directly impact job performance and organizational commitment. Those mechanisms include: 20) _____
- A) team processes and team characteristics
 - B) leader styles and behaviour
 - C) organizational culture and organizational structure
 - D) stress and motivation
 - E) personality and ability
- 21) All of these are individual mechanisms as reflected in the integrative model of organizational behaviour except: 21) _____
- A) Job satisfaction
 - B) Job performance
 - C) Stress
 - D) Learning
 - E) Motivation
- 22) What Suzie feels when thinking about her job and doing her day-to-day work is captured in her 22) _____
- A) leadership style
 - B) personality
 - C) organizational culture
 - D) ability
 - E) job satisfaction

- 23) Which of these individual mechanisms reflects employees' psychological responses to job demand that tax or exceed their capacities? 23) _____
- A) job satisfaction
 - B) stress
 - C) job performance
 - D) leadership style
 - E) ability
- 24) Which of these individual mechanisms captures the energetic forces that drive employees' work efforts? 24) _____
- A) motivation
 - B) stress
 - C) personality
 - D) ability
 - E) job performance
- 25) Personal attributes such as _____ influence how we behave at work and the kinds of tasks that interest us. 25) _____
- A) organizational structure, cultural values, and ability
 - B) job performance, organizational structure, and ability
 - C) stress, cultural values, and job performance
 - D) personality, cultural values, and ability
 - E) leadership, stress, and job performance
- 26) Which of these mechanisms dictates how the units within the firm link to other units? 26) _____
- A) organizational structure
 - B) organizational culture
 - C) organizational ability
 - D) organizational leadership
 - E) job performance
- 27) Which of these mechanisms captures shared knowledge about the rules, norms, and values that shape employee attitudes and behaviours? 27) _____
- A) organizational culture
 - B) job performance
 - C) organizational leadership
 - D) organizational structure
 - E) organizational ability

28) Scenario: Ben Barrack

28) _____

As a student, you have been attending the local university majoring in Business. You have signed up for this course on Organizational Behaviour. You are also working as an assistant manager at a local restaurant where Ben Barrack is the manager. When Ben finds that you are enrolled in an OB course, he laughs and says OB is common sense, you don't need a course on it and that if you take strategic management, it gives you the same information. Ben comments that the only thing he needs to worry about is the job performance of his employees. Having just studied this, respond to the following questions and Ben's comments and beliefs.

You should tell Ben that according to the integrative model of OB, the following two concepts represent individual mechanisms that have a direct impact on job performance.

- A) team processes and team characteristics
- B) personality and ability
- C) leadership styles and behaviours
- D) stress and motivation
- E) organizational culture and organizational structure

29) Scenario: Ben Barrack

29) _____

As a student, you have been attending the local university majoring in Business. You have signed up for this course on Organizational Behaviour. You are also working as an assistant manager at a local restaurant where Ben Barrack is the manager. When Ben finds that you are enrolled in an OB course, he laughs and says OB is common sense, you don't need a course on it and that if you take strategic management, it gives you the same information. Ben comments that the only thing he needs to worry about is the job performance of his employees. Having just studied this, respond to the following questions and Ben's comments and beliefs.

If Ben truly wants to be an effective manager at this restaurant, he should be concerned with which of these?

- A) individual mechanisms
- B) individual characteristics
- C) group mechanisms
- D) organizational mechanisms
- E) all of these

30) Scenario: You Be the Consultant

30) _____

You have been just hired as an assistant to a leading consultant at Consultants-R-Us Inter. The firm specializes in employee personality. A recent client made this comment to your "because people come and go in an organization, financial resources are the only resource matter." Your boss gives you the assignment to show the client how and why people matter.

Consultants-R-Us specializes in employee personality. According to the integrative model, the firm is specializing in:

- A) a group mechanism
- B) an individual outcome
- C) an organizational mechanism
- D) an individual characteristic
- E) none of these

31) According to the integrative model of organizational behaviour, trust, justice, and ethics are:

31) _____

- A) individual outcomes.
- B) individual mechanisms.
- C) group mechanisms.
- D) organizational mechanisms.
- E) group outcomes.

32) Which of the following reflects the degree to which employees feel that their company does business with fairness, honesty, and integrity?

32) _____

- A) Team processes
- B) Trust, justice, and ethics
- C) Personality and ability
- D) Job satisfaction
- E) Motivation

33) Which of the following deals with how employees gain job knowledge and how they use that knowledge to make accurate judgments on the job?

33) _____

- A) Learning and decision making
- B) Personality and ability
- C) Team processes
- D) Motivation
- E) Trust, justice, and ethics

- 34) Which of the following affects the way people behave at work, the kinds of tasks they are interested in, and how they react to events that happen on the job? 34) _____
- A) Team characteristics
 - B) Personality and cultural values
 - C) Trust, justice, and ethics
 - D) Ability
 - E) Learning and decision making
- 35) Which of the following describes the cognitive abilities, emotional skills, and physical abilities that employees bring to a job? 35) _____
- A) Learning and decision making
 - B) Trust, justice, and ethics
 - C) Ability
 - D) Personality and cultural values
 - E) Team characteristics
- 36) Which of the following influences the kinds of tasks an employee is good at and those with which an employee may struggle? 36) _____
- A) Learning and decision making
 - B) Personality
 - C) Ability
 - D) Cultural values
 - E) Trust, justice, and ethics
- 37) A resource is more valuable if it is: 37) _____
- A) Transparent
 - B) Imitable
 - C) Rare
 - D) Simple
 - E) all of these
- 38) People are inimitable for all of the following reasons except: 38) _____
- A) they make numerous small decisions
 - B) they purchase new technology
 - C) unfortunately, people are not inimitable
 - D) they create socially complex resources
 - E) they create a history

39) Scenario: You Be the Consultant

39) _____

You have been just hired as an assistant to a leading consultant at Consultants-R-Us Inter. The firm specializes in employee personality. A recent client made this comment to your "because people come and go in an organization, financial resources are the only resource matter." Your boss gives you the assignment to show the client how and why people matt

Using the _____, you should be able to show the client that people are rare and inimital

- A) rule of one-eighth
- B) resource-based view of the organization
- C) method of authority
- D) cost-based approach
- E) method of intuition

40) Scenario: You Be the Consultant

40) _____

You have been just hired as an assistant to a leading consultant at Consultants-R-Us Inter. The firm specializes in employee personality. A recent client made this comment to your "because people come and go in an organization, financial resources are the only resource matter." Your boss gives you the assignment to show the client how and why people matt

When explaining to the client, you should explain the inimitability of people by drawing (the following concepts except:

- A) Socially complex resources
- B) One big decision
- C) History
- D) Numerous small decisions
- E) all of these concepts should be drawn upon

41) Which of the following summarizes the qualities that teams possess, such as their norms, their roles, and the way members depend on one another? 41) _____

- A) Team responsibilities
- B) Team innovation
- C) Team characteristics
- D) Team processes
- E) Team problem solving

42) Which of the following summarizes how teams behave, including topics like cooperation, conflict, and communication? 42) _____

- A) Team responsibilities
- B) Team problem solving
- C) Team characteristics
- D) Team processes
- E) Team innovation

- 43) Which of the following summarizes the process by which individuals attain authority over others? 43) _____
- A) Team processes
 - B) Leader power and influence
 - C) Team characteristics
 - D) Team responsibilities
 - E) Leader styles and behaviours
- 44) Which of the following captures the specific actions that leaders take to influence others at work? 44) _____
- A) Leader power and influence
 - B) Team characteristics
 - C) Team responsibilities
 - D) Leadership styles and behaviours
 - E) Team processes
- 45) Which of the following mechanism captures "the way things are" in an organization? 45) _____
- A) Organizational structure
 - B) Job performance
 - C) Organizational ability
 - D) Organizational culture
 - E) Organizational leadership
- 46) Which of the following statements about the resource-based view of organizations is false? 46) _____
- A) A firm's resources include resources related to organizational behaviour.
 - B) It describes what makes resources capable of creating long-term profits for the firm.
 - C) A firm's resources include financial and physical resources.
 - D) It describes what exactly makes resources valuable.
 - E) It suggests that the value of resources depend on a single factor.
- 47) According to resource-based view, a resource is more valuable when it is rare and: 47) _____
- A) simple.
 - B) common.
 - C) transparent.
 - D) regular.
 - E) inimitable.

- 48) Which concept captures the idea that people make many small decisions day in and day out, week in and week out? 48) _____
- A) Numerous small decisions
 - B) Socially complex resources
 - C) Resource-based view
 - D) Rule of one-eighth
 - E) Meta-analysis
- 49) According to the survey of executives of 968 publicly held firms, the results revealed that a one-unit increase in the proportion of the workforce involved in the high performance work practices was associated with all of these except: 49) _____
- A) \$3,800 more in profits
 - B) \$638 more in employee bonuses
 - C) an approximately 7 percent decrease in turnover
 - D) \$18,000 more in market value
 - E) \$27,000 more in sales per employee
- 50) According to the survey of executives of 968 publicly held firms, the results revealed that a one-unit increase in the proportion of the workforce involved in the high performance work practices was associated with which of these? 50) _____
- A) \$3,800 more in profits
 - B) \$1,638 more in employee bonuses
 - C) An approximately 37 percent increase in turnover
 - D) \$627,000 more in sales per employee
 - E) \$918,000 more in market value
- 51) In exploring the importance of OB to company performance, the survey of executives of 968 publicly held firms included of all of these outcomes except: 51) _____
- A) turnover
 - B) profitability
 - C) market value
 - D) firm survival
 - E) productivity
- 52) According to the study focused on initial public offerings, firms who valued OB had a _____ percent higher survival rate than firms who did not value OB. 52) _____
- A) 19 B) 71 C) 50 D) 3 E) 47

- 53) According to the Rule of One-Eighth, 53) _____
- A) 75 percent of organizations won't believe the connection between how they manage their people and the profits they earn
 - B) At least 88 percent of organizations will do everything necessary to put people first and thereby build profits
 - C) One in eight organizations miserably fail at making the people to profit connection
 - D) At best 12 percent of organizations will actually do what is required to build profits by putting people first
 - E) 38 percent of the organizations try to make a single change to solve their problems
- 54) Scientific studies are based on the scientific method originated by Sir 54) _____
- A) Charles Darwin
 - B) Jeffery Pfeffer
 - C) Francis Bacon
 - D) Robert Hogan
 - E) Frederick Taylor
- 55) A collection of assertions that specify how and why variables are related, as well as the conditions in which they should (and should not) be related refers to a 55) _____
- A) Verification
 - B) Construct
 - C) Hypothesis
 - D) Data
 - E) Theory
- 56) _____ are written predictions that specify relations between variables. 56) _____
- A) Theories
 - B) Data
 - C) Construct
 - D) Hypotheses
 - E) Verifications
- 57) _____ summarize the statistical relationships between variables. 57) _____
- A) Observations
 - B) Methods of knowing
 - C) Data
 - D) Collections
 - E) Correlations
- 58) Which of these abbreviations represent the correlation? 58) _____
- A) x B) h C) c D) r E) d

- 59) Correlation can be positive or negative and can range from: 59) _____
 A) -1 to +1
 B) -5 to +.5
 C) 1 to 1
 D) -1 to +10
 E) None of these
- 60) In organizational behaviour research, a correlation of .50 is considered: 60) _____
 A) Useless B) Weak C) Moderate D) Perfect E) Strong
- 61) In organizational behaviour research, a correlation of .30 is considered: 61) _____
 A) Useless B) Perfect C) Strong D) Weak E) Moderate
- 62) In organizational behaviour research, a correlation of .10 is considered: 62) _____
 A) strong B) weak C) perfect D) useless E) moderate
- 63) In organizational behaviour research, a correlation of + 1 is considered: 63) _____
 A) Weak
 B) Perfect
 C) Useless
 D) Moderate
 E) Unimpressive
- 64) Which of these takes all the correlations found in studies of a particular relationship and calculates a weighted average of them? 64) _____
 A) resource-based view
 B) human resource management
 C) strategic management
 D) method of intuition
 E) meta-analysis
- 65) A meta-analysis conducted on the effects of social recognition and job performance across studies conducted in 96 different organizations in the service industry indicates an average correlation of _____. 65) _____
 A) 0.03 B) 0.66 C) 0.21 D) 0.35 E) 0.5

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 66) The theories and concepts found in OB are actually drawn from two disciplines: human resources management and strategic management. 66) _____
- 67) Human resource management focuses on the product choices and industry characteristics that affect an organization's profitability. 67) _____

- 68) The integrative model of OB in the text presents five individual mechanisms that directly affect the individual outcomes: motivation; learning and decision making; job performance; stress; and trust, justice, and ethics. 68) _____
- 69) Team diversity and communication play an important role in achieving the primary outcomes of job performance and organizational commitment. 69) _____
- 70) The integrative model acknowledges that employees work in one or more work teams led by some formal leader. 70) _____
- 71) Group mechanisms shape satisfaction, stress, motivation, trust, and learning. 71) _____
- 72) Personality and cultural values are two factors that reflect the characteristics of individual employees. 72) _____
- 73) Personality, cultural values, and ability reflect the various traits and tendencies that describe how people act. 73) _____
- 74) The resource-based view suggests that a resource is more valuable when it can be imitated. 74) _____
- 75) People create history—a collective pool of experience, wisdom, and knowledge that benefits the organization. 75) _____
- 76) Resources like culture, teamwork, trust, and reputation are termed "socially complex" because it is not always clear which organizations do (and do not) possess them, though it is clear how they came to develop. 76) _____
- 77) Big decisions can be copied; they are visible to competitors and observable by industry experts and analysts. 77) _____
- 78) Since good people create history and socially complex resources, they are easy to imitate. 78) _____
- 79) The Rule of One-Eighth suggests that about 88 percent of the companies will actually do what is required to build profits by putting people first. 79) _____
- 80) Firms that invest in organizational behaviour, typically have higher survival rates. 80) _____
- 81) According to research conducted using the prospectus of IPO companies, firms who valued OB had a 19 percent higher survival rate than firms who did not value OB. 81) _____
- 82) Firms that do not undergo an IPO typically have shorter histories and need an infusion of cash to grow or introduce some new technology. 82) _____

- 83) The integrative model of OB was designed with the Rule of One-Eighth in mind. 83) _____
- 84) It is often easy to "fix" companies that struggle with OB issues. 84) _____
- 85) If people hold firmly to some belief because it seems obvious or self-evident, they are using their intuition. 85) _____
- 86) Scientific methods begin with hypotheses and require that these be used to inspire theories. 86) _____
- 87) If people hold firmly to some belief because scientific studies have tended to replicate results using a series of samples, settings, and methods, then they are using their intuition. 87) _____
- 88) Hypotheses take all the correlations found in studies of a particular relationship and calculate a weighted average. 88) _____
- 89) The best way to get a feel for the correlation between two variables is to look at a scatterplot—a graph made from those two columns of numbers. 89) _____
- 90) Correlation does not imply causation. 90) _____
- 91) Understanding correlation is important because OB questions are not "yes or no" in nature. 91) _____
- 92) Meta-analysis offers more compelling support for the potential benefits of social recognition than the methods of experience, intuition, or authority could have provided. 92) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 93) Define organizational behaviour. How does it differ from human resource management?
- 94) Illustrate the integrative model of organizational behaviour using a diagram.
- 95) Identify the key individual outcomes in the studies of organizational behaviour and describe the factors that affect these key outcomes.
- 96) Using the resource-based view of the organization, explain how people are a valuable resource. Provide an example to justify your position.
- 97) How do we "know" what we know about Organizational Behaviour? Indicate the four different ways of knowing things.

- 98) Scientific studies are based on the scientific method originated by Sir Francis Bacon in the 1600s. Indicate the four components of The Scientific Method, and describe the role of each of its components.
- 99) Explain the difference between correlation and causal inference.

Answer Key

Testname: UNTITLED1

- 1) A
- 2) D
- 3) C
- 4) B
- 5) A
- 6) D
- 7) E
- 8) D
- 9) B
- 10) B
- 11) E
- 12) B
- 13) D
- 14) C
- 15) A
- 16) B
- 17) A
- 18) C
- 19) E
- 20) D
- 21) B
- 22) E
- 23) B
- 24) A
- 25) D
- 26) A
- 27) A
- 28) C
- 29) E
- 30) D
- 31) B
- 32) B
- 33) A
- 34) B
- 35) C
- 36) C
- 37) C
- 38) B
- 39) B
- 40) B
- 41) C
- 42) D
- 43) B
- 44) D
- 45) D
- 46) E
- 47) E
- 48) A
- 49) B
- 50) A

Answer Key

Testname: UNTITLED1

- 51) D
- 52) A
- 53) D
- 54) C
- 55) E
- 56) D
- 57) E
- 58) D
- 59) E
- 60) E
- 61) E
- 62) B
- 63) B
- 64) E
- 65) C
- 66) FALSE
- 67) FALSE
- 68) FALSE
- 69) TRUE
- 70) TRUE
- 71) TRUE
- 72) TRUE
- 73) TRUE
- 74) FALSE
- 75) TRUE
- 76) FALSE
- 77) TRUE
- 78) FALSE
- 79) FALSE
- 80) TRUE
- 81) TRUE
- 82) FALSE
- 83) TRUE
- 84) FALSE
- 85) TRUE
- 86) FALSE
- 87) FALSE
- 88) FALSE
- 89) TRUE
- 90) TRUE
- 91) TRUE
- 92) TRUE
- 93) OB is a field of study devoted to understanding, explaining, and ultimately improving the attitudes and behaviours of individuals and groups in organizations. HRM, on the other hand, takes the theories and principles studied in OB and explores the "nuts-and-bolts" applications of those principles in organizations.
- 94) See Figure 1-1 in the text.

- 95) The key individual outcomes in studies of organizational behaviour are job performance and organizational commitment. The factors that affect these outcomes are individual mechanisms (job satisfaction; stress; motivation; trust, justice & ethics; and learning & decision making). Individual mechanisms, in turn, are driven by organizational mechanisms (organizational culture and structure), group mechanisms (leadership: styles & behaviours, and power & influence; and teams: processes and characteristics), and individual characteristics (personality & cultural values and ability).
- 96) People are rare and inimitable. The inimitability of people can be described using the following three reasons: history, numerous small decisions, and socially complex resources. See Figure 1-2 in the text. Student answers will vary for the last part of the question.
- 97) Philosophers have argued that there are several different ways of knowing things:
- *Method of experience.* People hold firmly to some belief because it is consistent with their own experience observations.
 - *Method of intuition.* People hold firmly to some belief because it "just stands to reason"—it seems obvious self-evident.
 - *Method of authority.* People hold firmly to some belief because some respected official, agency, or source said it is so.
 - *Method of science.* People accept some belief because scientific studies have tended to replicate that result using a series of samples, settings, and methods.
- 98) Theory, Hypothesis, Data, and Verification

The method begins with **theory**, defined as a collection of assertions—both verbal and symbolic—that specify and why variables are related, and the conditions in which they should (and should not) be related. More simply, theory tells a story and supplies the familiar who, what, where, when, and why elements found in any news magazine article.

The scientific method requires that theories be used to inspire **hypotheses**. Hypotheses are written predictions that specify relationships between variables. For example, a theory of social recognition might be used to inspire this hypothesis: "Social recognition behaviours on the part of managers will be positively related to the job performance and organizational commitment of their units." This hypothesis states, in black and white, the expected relationship between social recognition and unit performance. You then would collect data, and compare its results against the hypotheses, and verify its confirmation of the hypotheses. If confirmed, then the hypothesis is upheld. If the data do not confirm the hypotheses, then revised theory occurs to generate new/further hypotheses to be tested.

99) A correlation, abbreviated r , describes the statistical relationship between two variables. Correlations can be positive or negative and range from 0 (no statistical relationship) to 1 (a perfect statistical relationship). In organizational behaviour research a correlation of .50 is considered "strong," given the sheer number of things that can affect how employees feel and act. A .30 correlation is considered "moderate," and many studies discussed in this book will have results in this range. Finally, a .10 correlation is considered "weak." It should be noted, however, that even "weak" correlations can be important if they predict costly behaviours such as theft or ethical violations. The .08 correlation between smoking and lung cancer within years is a good example of how important small correlations can be.

"Correlation does not imply causation." It turns out that making a **causal inference**— establishing that one variable really does cause another—requires establishing three things: first, that the two variables are correlated; second, that the presumed cause precedes the presumed effect in time; third, that no alternative explanation exists for the correlation. The third criterion is often fulfilled in experiments, in which researchers have more control over the setting of the study.