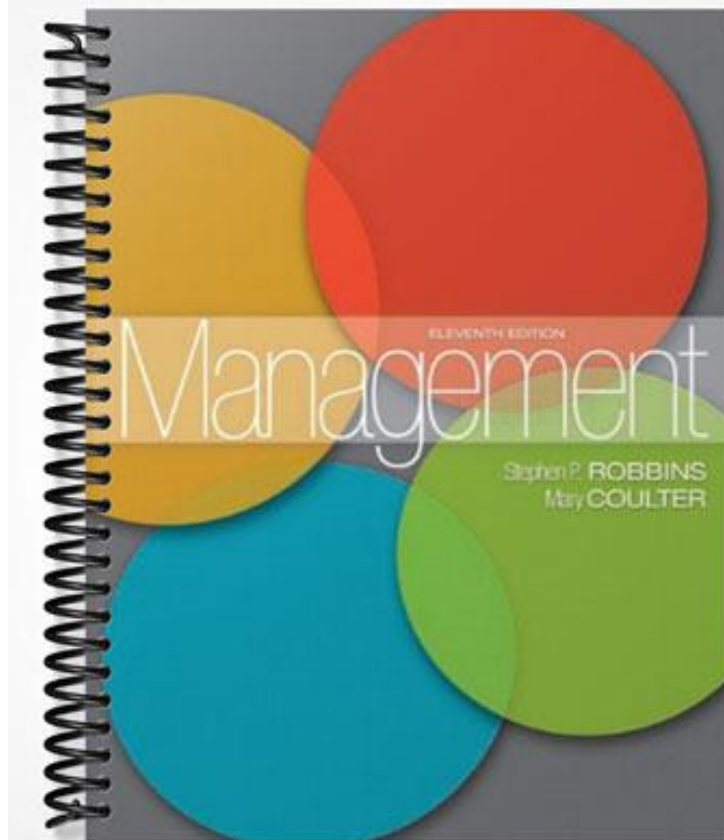


TEST BANK



Management, 11e (Robbins/Coulter)

Chapter 2 Understanding Management's Context: Constraints and Challenges

1) In the symbolic view of management, managers are seen as directly responsible for an organization's success or failure.

Answer: FALSE

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

2) The view of managers as omnipotent is consistent with the stereotypical picture of the take-charge business executive who can overcome any obstacle in carrying out the organization's objectives.

Answer: TRUE

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

3) The symbolic view of management impact is useful in explaining the high turnover among sports coaches, who can be considered the "managers" of their teams.

Answer: FALSE

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

4) A dynamic environment is characterized by the absence of new competitors, few technological breakthroughs by current competitors, and little activity by pressure groups to influence the organization.

Answer: FALSE

Page Ref: 49

Topic: The Environment

Objective: 2

Difficulty: Moderate

Classification: Conceptual

5) Environmental uncertainty looks at the number of components in an organization's environment and the extent of the knowledge that the organization has about those components.

Answer: FALSE

Page Ref: 49

Objective: 1

Difficulty: Easy

Classification: Conceptual

6) An organization's competitors and employees are considered to be stakeholders who are affected by the organization's decisions and actions.

Answer: TRUE

Page Ref: 50

Topic: Organizational Culture

Objective: 2

Difficulty: Easy

Classification: Conceptual

7) A dynamic and simple environment is characterized by the greatest level of environmental uncertainty.

Answer: FALSE

Page Ref: 50

Objective: 2

Difficulty: Easy

Classification: Conceptual

8) Managers of high-performing companies tend to consider the interests of the most profitable stakeholder groups as they make decisions.

Answer: FALSE

Page Ref: 50

Objective: 2

Difficulty: Moderate

Classification: Conceptual

9) Strong cultures have more influence on employees than do weak cultures.

Answer: TRUE

Page Ref: 52

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

10) The shared aspect of culture implies that all employees in an organization approve of the culture.

Answer: FALSE

Page Ref: 52

Objective: 3

Difficulty: Easy

Classification: Conceptual

11) In strong organizational cultures, employees have little knowledge of company history or heroes, what is important is present performance.

Answer: FALSE

Page Ref: 53

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

12) Organizations help employees adapt to the culture through socialization.

Answer: TRUE

Page Ref: 54

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

13) Corporate rituals are repetitive sequences of activities that express and reinforce the key values of an organization.

Answer: TRUE

Page Ref: 55

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

14) In a "ready-aim-fire" culture, managers take action and then analyze what has been done.

Answer: FALSE

Page Ref: 57

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

15) In order to develop an innovative organizational culture, managers must minimize ambiguity and uncertainty and discourage risk-taking.

Answer: FALSE

Page Ref: 58

Topic: Organizational Culture

Objective: 4

Difficulty: Moderate

Classification: Conceptual

16) Giving service-contact employees the discretion to make day-to-day decisions on job-related activities is instrumental in creating in a customer-responsive culture.

Answer: TRUE

Page Ref: 59

Topic: Organizational Culture

Objective: 4

Difficulty: Easy

Classification: Conceptual

17) Organizations that emphasize workplace spirituality focus on individual development.

Answer: TRUE

Page Ref: 60

Topic: The Environment

Objective: 4

Difficulty: Moderate

Classification: Conceptual

18) Spiritual organizations tend to be intolerant of employees who commit mistakes.

Answer: FALSE

Page Ref: 60

Topic: The Environment

Objective: 4

Difficulty: Easy

Classification: Conceptual

19) Organizations that subscribe to workplace spirituality emphasize the importance of employees controlling their expressions and emotions.

Answer: FALSE

Page Ref: 60

Topic: The Environment

Objective: 4

Difficulty: Moderate

Classification: Conceptual

20) A valid criticism of workplace spirituality is that secular institutions, especially businesses, have no right to impose spiritual values on employees, if spirituality means bringing religion into the workplace.

Answer: TRUE

Page Ref: 60

Topic: The Environment

Objective: 4

Difficulty: Easy

Classification: Conceptual

21) Which of the following represents the two views of managerial impact on the success or failure of the organization?

- A) omnipotent and symbolic
- B) omnipotent and reflective
- C) symbolic and interactive
- D) reflective and interactive

Answer: A

Page Ref: 44

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

22) The current dominant assumption in management theory suggests that _____.

- A) an organization's success or failure is due to external forces outside managers' control
- B) managers' roles are increasingly becoming peripheral and staff manage their own areas of expertise
- C) managers are directly responsible for an organization's success or failure
- D) managers cannot significantly affect an organization's performance because they are constrained by the abilities of their employees

Answer: C

Page Ref: 44

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Moderate

Classification: Conceptual

23) Elmo Research & Development has been going through a rough patch lately. Turnover has been high and employee morale is at an all-time low. Though employees and competitors hold management responsible for the decline, the CEO does not let the managers go or change the management style. Which of the following could explain this attitude?

- A) The CEO holds the omnipotent view of management, which believes that external factors have a significant effect on performance outcomes.
- B) As the organization has an autocratic management style, the employees are responsible for organizational policies.
- C) The organization has a participative management style and decisions are guided by consensus.
- D) The CEO holds the view that managers have only a limited role in organization success or failure.

Answer: D

Page Ref: 45

AACSB: Analytic Skills

Objective: 1

Difficulty: Moderate

Classification: Application

- 24) The omnipotent view of management states that _____.
- A) managers' roles are peripheral and staff manage their own areas of the business
 - B) managers are directly responsible for an organization's success or failure
 - C) managers should allow employees to take part in decision-making
 - D) managers have little or no responsibility for an organization's success or failure

Answer: B

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

- 25) The _____ view of management is consistent with the stereotypical picture of the take-charge business executive who can overcome any obstacle in carrying out the organization's objectives.

- A) omnipotent
- B) symbolic
- C) democratic
- D) laissez-faire

Answer: A

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

- 26) The soccer league in England is notorious for the number of team managers fired over the course of a single season, which stands at no fewer than eight managers on average, owing to poor team form and consequently, poor results. It is evident from this information that the league endorses a(n) _____ view of management.

- A) symbolic
- B) omnipotent
- C) laissez-faire
- D) democratic

Answer: B

Page Ref: 45

Topic: Organizational Culture

AACSB: Analytic Skills

Objective: 1

Difficulty: Moderate

Classification: Application

- 27) Which of the following most accurately reflects the symbolic view of management?
- A) Managers are directly responsible for an organization's success or failure.
 - B) Managers have to ensure that every obstacle is overcome on the way to achieving the organization's goals.
 - C) External forces are responsible for an organization's success or failure.
 - D) Employees are directly responsible for an organization's success or failure.

Answer: C

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

- 28) According to the symbolic view, managers have a(n) _____ effect on substantive organizational outcomes.

- A) limited
- B) extensive
- C) influential
- D) significant

Answer: A

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

- 29) The symbolic view of management is based upon the belief that managers symbolize _____.

- A) control and influence in developing plans and making decisions
- B) every aspect of an organization's performance, from the top level to the operational level
- C) the fluctuating fortunes of the organization as they alternate between profits and losses
- D) the take-charge executive who overcomes any obstacle to see that the organization achieves its goals

Answer: A

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Moderate

Classification: Conceptual

30) Internal constraints that influence managers' decisions and actions come from _____.

- A) the attitudes of customers
- B) the culture of the organization
- C) the prevailing political conditions
- D) the fluctuations in the stock market

Answer: B

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

31) Daniel is the CEO of CookRite, a company manufacturing kitchen appliances. The company has been in business for the past ten years and sales were steadily increasing until six months ago, when there was a significant decrease. Though Daniel held a number of meetings with the top management of the company, he did not make any changes in the management techniques and did not blame managers for the drop in sales. Which of the following, if true, would indicate that Daniel was correct in his approach?

- A) Sources reveal that CookRite's competitors saw a similar drop in sales over the same time period.
- B) The price of technology used in CookRite products fell during this period, as a result of innovations.
- C) The symbolic view of management, which Daniel holds, is the preferred method in that industry.
- D) Demand for kitchen appliances has increased significantly over the past year.

Answer: A

Page Ref: 45

AACSB: Reflective Thinking Skills

Objective: 1

Difficulty: Difficult

Classification: Critical Thinking

32) Daniel is the CEO of CookRite, a company manufacturing kitchen appliances. The company has been in business for the past ten years and sales were steadily increasing until six months ago, when there was a significant decrease. Though Daniel held a number of meetings with the top management of the company, he did not make any changes in the management techniques and did not blame managers for the drop in sales. Which of the following, if true, would indicate that Daniel was wrong in his approach?

- A) CookRite's competitors saw a similar drop in sales over the same period.
- B) A new competitor entered the market six months ago, and sold products below cost to gain market share.
- C) Demand for kitchen appliances has increased significantly over the past year.
- D) The price of technology used in kitchen appliances fell and CookRite subsequently reduced its prices.

Answer: C

Page Ref: 45

AACSB: Reflective Thinking Skills

Objective: 1

Difficulty: Difficult

Classification: Critical Thinking

33) Which of the following factors is a demographic component of an organization's external environment?

- A) lifestyles and behavior
- B) political stability
- C) geographic location
- D) stock market fluctuations

Answer: C

Page Ref: 46

Objective: 2

Difficulty: Easy

Classification: Conceptual

34) Which of the following factors is an economic component of an organization's external environment?

- A) family composition
- B) education level
- C) disposable income
- D) geographic location

Answer: C

Page Ref: 46

Objective: 2

Difficulty: Easy

Classification: Conceptual

35) The _____ component of an organization's external environment is concerned with trends in population characteristics such as age, race, gender, education level, geographic location, income, and family composition.

- A) economic
- B) political
- C) demographic
- D) sociocultural

Answer: C

Page Ref: 46

Objective: 2

Difficulty: Easy

Classification: Conceptual

36) Grayson's has been in the publishing business for fifty years. In the past two years, the company has noticed that book sales have been tapering off, as more and more readers prefer formats they can read on e-readers or smartphones. Grayson's needs to analyze the changes in the environment so that it can change its business strategies and meet the needs of the new market. It commissions a market research firm to collect information about the recent changes in reading habits. Which of the following questions is the most irrelevant for this purpose?

- A) How many books does an individual customer buy in a month?
- B) What types of books do customers buy in traditional form?
- C) Which format is more reader-friendly, e-books or traditional books?
- D) How much do readers spend on e-books in a month?

Answer: C

Page Ref: 46

AACSB: Analytic Skills

Objective: 2

Difficulty: Moderate

Classification: Application

37) Which of the following factors is a sociocultural component of an organization's external environment?

- A) education level
- B) political stability
- C) behavior patterns
- D) family composition

Answer: C

Page Ref: 46

Objective: 2

Difficulty: Easy

Classification: Conceptual

38) The economic environment affects the performance of an organization, as was noted during the recent recession. Which of the following factors is cited as one of the causes of the recent recession triggered in the home mortgage markets in the U.S.?

- A) high interest rates on mortgages
- B) massive global liquidity
- C) lack of leverageability for business borrowers
- D) difficulty in securing housing credit

Answer: C

Page Ref: 47

Objective: 2

Difficulty: Moderate

Classification: Conceptual

39) Which of the following groups includes individuals who were born between the years 1946-1964?

- A) the Silent Generation
- B) the Gen Y-ers
- C) the Baby Boomers
- D) Post-Millennials

Answer: C

Page Ref: 47

Topic: The Environment

Objective: 2

Difficulty: Easy

Classification: Conceptual

40) _____ is/are called the iGeneration, because they've grown up with technology that customizes everything to the individual.

- A) Post-Millennials
- B) The Silent Generation
- C) Baby Boomers
- D) Gen Y-ers

Answer: A

Page Ref: 48

Objective: 2

Difficulty: Easy

Classification: Conceptual

41) Which of the following are the two dimensions of environmental uncertainty?

- A) degree of change and degree of complexity
- B) degree of change and degree of volume
- C) degree of complexity and degree of impact
- D) degree of impact and degree of timing

Answer: A

Page Ref: 49

Topic: The Environment

Objective: 2

Difficulty: Easy

Classification: Conceptual

42) If the components of an organization's environment change frequently, the organization is operating in a _____ environment.

- A) stable
- B) secure
- C) dynamic
- D) constant

Answer: C

Page Ref: 49

Topic: The Environment

Objective: 2

Difficulty: Easy

Classification: Conceptual

43) Which of the following is NOT true about the environmental complexity of an organization?

- A) Environmental complexity increases as the number of competitors increases.
- B) It is measured in terms of the knowledge an organization needs about its environment.
- C) Complexity decreases as the number of regulatory agencies increases.
- D) It depends on the knowledge an organization has about the components of its environment.

Answer: C

Page Ref: 49

Topic: The Environment

Objective: 2

Difficulty: Easy

Classification: Conceptual

44) Which of the following is a characteristic of a dynamic environment?

- A) high level of predictability of changes in environmental conditions
- B) few technological breakthroughs by current competitors
- C) the presence of new competitors in the market
- D) little activity by pressure groups to influence the organization

Answer: C

Page Ref: 49

Objective: 2

Difficulty: Moderate

Classification: Conceptual

- 45) Which of the following statements is true of dynamic and complex environments?
- A) They are characterized by a high degree of predictability of change.
 - B) There are usually few components in such environments.
 - C) A high need for sophisticated knowledge of components exists in such environments.
 - D) The components in such environments are somewhat similar, but are continually changing.

Answer: C

Page Ref: 49

Objective: 2

Difficulty: Moderate

Classification: Conceptual

46) If the components in an organization's environment exhibit minimal change, such an environment is said to be _____.

- A) volatile
- B) dynamic
- C) stable
- D) active

Answer: C

Page Ref: 49

Objective: 2

Difficulty: Easy

Classification: Conceptual

47) D&B Designs has been in the landscape design business in Pleasantville for the past twenty years. As the "first mover" in the market, the company has built a strong market share over the years and is the best-known firm in the area. The company strength increased steadily, and now stands at fifty employees. Which of the following, if true, would make the company's business environment more uncertain?

- A) Homeowners in the area take pride in their gardens and are avid do-it-yourself gardeners.
- B) Demand for landscaping services dips every autumn and winter.
- C) A long-time competitor quit the landscape design business last year.
- D) Zoning laws in the area change as each new city council comes into power.

Answer: D

Page Ref: 49

AACSB: Analytic Skills

Objective: 2

Difficulty: Moderate

Classification: Application

48) In which of the following environments do managers in an organization have the greatest influence on organizational outcomes?

- A) stable and complex environments
- B) dynamic and simple environments
- C) stable and simple environments
- D) dynamic and complex environments

Answer: C

Page Ref: 50

Objective: 2

Difficulty: Easy

Classification: Conceptual

49) Which of the following environments is characterized by the highest level of environmental uncertainty?

- A) a stable and complex environment
- B) a dynamic and simple environment
- C) a stable and simple environment
- D) a dynamic and complex environment

Answer: D

Page Ref: 50

Objective: 2

Difficulty: Easy

Classification: Conceptual

50) The term _____ is used to collectively refer to any constituencies in an organization's environment that are affected by its decisions and actions.

- A) competitors
- B) shareholders
- C) unions
- D) stakeholders

Answer: D

Page Ref: 50

Objective: 2

Difficulty: Easy

Classification: Conceptual

51) _____ has been described as the shared values, principles, traditions, and ways of doing things that influence the way organization members act.

- A) Corporate hierarchy
- B) Business configuration
- C) Organization culture
- D) Industrial psychology

Answer: C

Page Ref: 52

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

52) Which of the following statements highlights the shared aspect of culture?

- A) Organizational culture is concerned with how members perceive the culture and describe it, not with whether they like it.
- B) Organizational culture is not something that can be physically touched or seen, but employees perceive it on the basis of what they experience within the organization.
- C) The original source of the culture of an organization reflects the vision of the organization's founders.
- D) Even though individuals may have different backgrounds or work at different organizational levels, they tend to describe the organization's culture in similar terms.

Answer: D

Page Ref: 52

Objective: 3

Difficulty: Moderate

Classification: Conceptual

53) Which of the following dimensions of organizational culture refers to the degree to which organizational decisions and actions emphasize maintaining the status quo?

- A) stability
- B) attention to detail
- C) innovation and risk taking
- D) people orientation

Answer: A

Page Ref: 52

Objective: 3

Difficulty: Easy

Classification: Conceptual

54) Google has often been cited as a model for employee satisfaction. Google takes extensive care to ensure employees have the best available conditions to perform, ranging from free snack bars, free massages, innovation rooms, spas-on-site, and many more such measures. Which dimension of organizational culture is Google said to emphasize through such measures?

- A) stability
- B) aggressiveness
- C) people orientation
- D) attention to detail

Answer: C

Page Ref: 52

AACSB: Analytic Skills

Objective: 3

Difficulty: Moderate

Classification: Application

55) A company whose managers focus on results, rather than how results are achieved, most likely possesses a high degree of _____.

- A) people orientation
- B) team orientation
- C) outcome orientation
- D) aggressiveness

Answer: C

Page Ref: 52

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

56) Which of the following most accurately reflects the difference between strong cultures and weak cultures?

- A) Strong cultures tend to encourage employees to try new approaches to changing conditions, while weak cultures do not.
- B) In strong cultures, organizational values are held by top management, while in weak cultures, values are diffused throughout the organization.
- C) Strong cultures have less of an influence on employee behavior than do weak cultures.
- D) Company values are more deeply held and widely shared in strong cultures than in weak cultures.

Answer: D

Page Ref: 53

Topic: Organizational Culture

Objective: 3

Difficulty: Moderate

Classification: Conceptual

57) Which of the following is a characteristic of an organization with a strong culture?

- A) Management strives to delink shared values from behaviors as much as possible.
- B) Culture conveys consistent messages about what is important to the organization.
- C) The core set of organizational values is zealously guarded by the management.
- D) Emphasis is laid on the future of the organization, rather than acquainting employees with company history or past heroes.

Answer: B

Page Ref: 53

Objective: 3

Difficulty: Moderate

Classification: Conceptual

58) Which of the following is a disadvantage of having a strong organizational culture?

- A) high employee turnover
- B) decreased organizational performance
- C) low loyalty towards the organization
- D) inability to respond to changing conditions

Answer: D

Page Ref: 54

Topic: Organizational Culture

Objective: 3

Difficulty: Moderate

Classification: Conceptual

59) _____ is a process that helps new employees learn the organization's way of doing things.

- A) Externalization
- B) Socialization
- C) Deculturation
- D) Transculturation

Answer: B

Page Ref: 54

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

60) The original source of an organization's culture usually reflects _____.

- A) the present conditions in which the organization functions
- B) the composition of its productive workforce
- C) the degree of success that the organization has achieved
- D) the vision or mission of the organization's founder

Answer: D

Page Ref: 54

Topic: Organizational Culture

Objective: 3

Difficulty: Moderate

Classification: Conceptual

61) Organizational _____ typically contain narratives about significant events or people in the organization.

- A) stories
- B) rituals
- C) language
- D) material artifacts

Answer: A

Page Ref: 55

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

62) The term _____ refers to repetitive sequences of activities that express and reinforce the important values and goals of the organization.

- A) organizational culture
- B) corporate rituals
- C) business ethics
- D) employee mentoring

Answer: B

Page Ref: 55

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

63) Which of the following is an example of a corporate ritual?

- A) Employees swapping stories about the company's history and past heroes who have made significant contributions to the company.
- B) Company executives using company-specific jargon or slogans intended to inspire other employees to perform better.
- C) Companies hosting annual parties to commemorate employee contributions and reward outstanding performance.
- D) The assortment of material artifacts that characterize an organization, including the layout of its facilities, how its employees dress, and the types of automobiles provided to top executives.

Answer: C

Page Ref: 55

Topic: Organizational Culture

AACSB: Analytic Skills

Objective: 3

Difficulty: Moderate

Classification: Conceptual

64) In an organization whose culture conveys a basic distrust of employees, managers are more likely to use a(n) _____ leadership style.

- A) participatory
- B) democratic
- C) authoritarian
- D) laissez-faire

Answer: C

Page Ref: 57

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

65) An organization's culture supports the belief that profits can be increased by cost cutting and that the company's best interests are served by achieving slow but steady increases in quarterly earnings. What is the nature of the programs that the organization's managers are likely to follow?

- A) short-term
- B) risky
- C) innovative
- D) expansionary

Answer: A

Page Ref: 57

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

66) According to Swedish researcher Goran Ekvall, which of the following is a characteristic found in an innovative culture?

- A) a serious outlook toward work
- B) intolerance toward uncertainty or ambiguity
- C) resolution of employee issues based on personal interest
- D) freedom for employees to express opinions

Answer: D

Page Ref: 58

Topic: Organizational Culture

Objective: 4

Difficulty: Easy

Classification: Conceptual

67) An innovative organizational culture is characterized by all of the following, EXCEPT

- _____.
- A) freedom
 - B) conformity
 - C) debates
 - D) risk taking

Answer: B

Page Ref: 58

Topic: Current Organizational Culture Issues

Objective: 4

Difficulty: Easy

Classification: Conceptual

68) Which of the following guidelines should managers follow while building a customer-responsive culture?

- A) precisely defining employees' normal job requirements and ensuring they perform those actions alone
- B) giving service-contact employees continual training on product knowledge, listening, and other behavioral skills
- C) designing jobs with rigid rules and procedures that employees should stick to in order to satisfy customers
- D) preserving the discretion to make day-to-day decisions on job-related activities at the top level of management

Answer: B

Page Ref: 59

Objective: 4

Difficulty: Moderate

Classification: Conceptual

69) Workplace spirituality has become important in the contemporary workplace because it

- _____.
- A) increases organizational efficiency
 - B) boosts company profits
 - C) gives employees a sense of purpose
 - D) brings religion into business

Answer: C

Page Ref: 59

Topic: Current Organizational Culture Issues

Objective: 4

Difficulty: Easy

Classification: Conceptual

70) A company that aims to develop a strong sense of purpose through meaningful work has a(n) _____ organizational culture.

- A) spiritual
- B) authoritarian
- C) profit-oriented
- D) outcome-oriented

Answer: A

Page Ref: 59

Topic: Current Organizational Culture Issues

Objective: 4

Difficulty: Easy

Classification: Conceptual

71) Which dimension of the organizational culture is workplace spirituality most closely related to?

- A) outcome-orientation
- B) innovation and risk taking
- C) attention to detail
- D) people-orientation

Answer: D

Page Ref: 59

Objective: 4

Difficulty: Easy

Classification: Conceptual

72) Which of the following is a characteristic found in spiritual organizations?

- A) focus on team development, rather than individual development
- B) profit-oriented outlook towards all organizational activities
- C) tolerance towards mistakes and openness with customers and employees
- D) emphasis on controlling emotions and feelings

Answer: C

Page Ref: 60

Objective: 4

Difficulty: Easy

Classification: Conceptual

73) Which of the following is most likely to have a highly spiritual organizational culture?

- A) a highly aggressive, competitive business
- B) a company with high tolerance of employee expression
- C) a business that focuses strictly on outcomes
- D) a business that emphasizes centralized control

Answer: B

Page Ref: 60

Topic: Current Organizational Culture Issues

Objective: 4

Difficulty: Easy

Classification: Conceptual

74) Which of the following is a criticism of spiritual organizational cultures?

- A) inhibition of employees' expressions and emotions
- B) incompatibility between profits and spirituality
- C) lack of openness with stakeholders such as customers and suppliers
- D) absence of employee empowerment

Answer: B

Page Ref: 60

Objective: 4

Difficulty: Moderate

Classification: Conceptual

Apex Construction (Scenario)

Apex Construction has hired Wendell Phillips to provide management consulting for the organization. Wendell's first assignment involves helping the company to improve productivity by recommending ways to strengthen managers' supervisory skills.

75) Wendell notices that the company's top executives share a belief that managers are directly responsible for the organization's success or failure. This belief reflects a(n) _____ view of management.

- A) traditional
- B) omnipotent
- C) emblematic
- D) symbolic

Answer: B

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

76) Wendell interviews many middle-level managers and discovers that they share a different view of management. These individuals believe that external factors constrain managers' influence over outcomes. The mid-level managers have a(n) _____ view of management.

- A) traditional
- B) omnipotent
- C) standard
- D) symbolic

Answer: D

Page Ref: 45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Easy

Classification: Conceptual

Corporate Takeover (Scenario)

Todd works for SeaLan Tech, an environmental consulting firm that has just been purchased by Zerex, Inc., a biomedical research organization. Based on his early encounters with the new upper management from Zerex, Todd feels that SeaLan is a "lower-key, friendlier" organization. He is concerned that the new company will eliminate SeaLan's old culture, and he does not like the prospects.

77) If you were talking with Todd and asked him what the term *culture* meant, he would reply that it is _____.

- A) the formal rules of an organization
- B) the nature of products/services offered by the company
- C) the shared values and practices of the firm
- D) a set of operational procedures for the company

Answer: C

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Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

78) Todd is concerned with the degree to which managers focus on results rather than techniques and the processes used to achieve those results. In other words, Todd is concerned that the company will emphasize _____ over other dimensions of the organizational culture.

- A) stability
- B) aggressiveness
- C) attention to detail
- D) outcome orientation

Answer: D

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Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

79) Todd notices that management is very concerned with the effects of outcomes on employees in the organization. This means that the management emphasizes the _____ dimension of the organization's culture.

- A) stability
- B) people orientation
- C) aggressiveness
- D) innovation and risk taking

Answer: B

Page Ref: 52

Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

Changing Organizational Culture (Scenario)

Mary has been asked by the company president to change the organizational culture to reflect the company's new organizational goals. As executive vice president, she certainly understands the goals, but is really not sure that she understands what to do about the culture.

80) Which of the following would make Mary realize that the company has a strong culture?

- A) values are limited to the top management
- B) culture sends contradictory messages about what is important
- C) most employees are aware of company history
- D) shared values and behaviors are not connected

Answer: C

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Topic: Organizational Culture

Objective: 3

Difficulty: Easy

Classification: Conceptual

81) Mary also found out that in order to build a strong new culture, she should do all but which of the following?

- A) hire employees who fit in with the company's culture
- B) develop socialization practices to build culture
- C) encourage a high turnover rate among employees
- D) have management make organizational values clear

Answer: C

Page Ref: 53

Topic: Organizational Culture

Objective: 3

Difficulty: Moderate

Classification: Conceptual

Operating Within the Environment (Scenario)

The environment places constraints on the behavior of managers. Suppose you are the manager of a real estate office trying to maximize profits. You attempt to understand the forces within your organization's environment.

82) If the mortgage interest rates increase, this would be an example of changing _____ in your external environment.

- A) economic conditions
- B) political conditions
- C) sociocultural conditions
- D) demographic conditions

Answer: A

Page Ref: 47

Topic: The Environment

Objective: 2

Difficulty: Easy

Classification: Conceptual

83) The area in which your office operates has been relatively stable in terms of land prices and demand. However, you have noticed that demand for housing in the area usually spikes in summer. Which of the following best describes your business environment?

- A) stable and simple
- B) dynamic and simple
- C) stable and complex
- D) dynamic and complex

Answer: A

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Objective: 2

Difficulty: Easy

Classification: Conceptual

84) Imagine that the town to which your office caters sees a sudden spurt in popularity. There has been a lot of construction activity in the area and a number of properties are being developed. The number of customers has increased, and so have your competitors. In this situation, what should you do to reduce environmental uncertainty?

- A) Restructure your organizational hierarchy to improve efficiency
- B) Acquire or merge with one or more of your competitors
- C) Maintain the status quo by keeping your business processes constant
- D) Communicate the situation clearly to all your stakeholders

Answer: B

Page Ref: 50

AACSB: Analytic Skills

Objective: 2

Difficulty: Moderate

Classification: Application

85) In a short essay, differentiate between the symbolic view and the omnipotent view of management. Include specific examples of each view to support your answer.

Answer: The dominant view in management theory and society in general is that managers are directly responsible for an organization's success or failure. This perspective is known as the omnipotent view of management. In contrast, others have argued that much of an organization's success or failure is due to external forces outside managers' control. This perspective is called the symbolic view of management.

a. In the omnipotent view, differences in an organization's performance are assumed to be due to decisions and actions of its managers. Good managers anticipate change, exploit opportunities, correct poor performance, and lead their organizations. When profits are up, managers take the credit and are rewarded with bonuses, stock options, and the like. When profits are down, top managers are often fired in the belief that "new blood" will bring improved results. When things go well, managers also get the credit—even if they had little to do with achieving the positive outcomes. The view of managers as omnipotent can help explain the high turnover among college and professional sports coaches, who can be considered the "managers" of their teams. Coaches who lose more games than they win are fired and replaced by new coaches who, it is hoped, will correct the inadequate performance.

b. The symbolic view says that a manager's ability to affect performance outcomes is influenced and constrained by external factors. According to this view, it's unreasonable to expect managers to significantly affect an organization's performance. Instead, performance is influenced by factors over which managers have little control such as the economy, customers, governmental policies, competitors' actions, industry conditions, and decisions made by previous managers. This view is labeled "symbolic" because it's based on the belief that managers symbolize control and influence by developing plans, making decisions, and engaging in other managerial activities to make sense out of random, confusing, and ambiguous situations. However, the actual part that managers play in organizational success or failure is limited according to this view. In the 1990s, Cisco Systems was the picture of success. Growing rapidly, it was widely praised by analysts for its "brilliant strategy, masterful management of acquisitions and superb customer focus." As Cisco's performance declined during the early part of the twenty-first century, analysts said that its strategy was flawed, its acquisition approach was haphazard, and its customer service was poor. The symbolic view would suggest that declining performance was due to the external circumstances beyond the control of the managers.

Page Ref: 44-45

Topic: The Manager: Omnipotent or Symbolic?

Objective: 1

Difficulty: Moderate

Classification: Conceptual

86) Define environmental uncertainty. Briefly discuss the dimensions of environmental uncertainty.

Answer: Environmental uncertainty refers to the degree of change and complexity in an organization's environment.

The first dimension of uncertainty is the degree of change. If the components in an organization's environment changes frequently, it is a dynamic environment. If change is minimal, it's a stable one. A stable environment might be one with no new competitors, few technological breakthroughs by current competitors, little activity by pressure groups to influence the organization, and so forth. Degree of change in this case means change that's unpredictable. If change can be accurately anticipated, it's not an uncertainty for managers.

The other dimension of uncertainty describes the degree of environmental complexity, which looks at the number of components in an organization's environment and the extent of the knowledge that the organization has about those components. An organization with fewer competitors, customers, suppliers, government agencies, and so forth faces a less complex and uncertain environment. Organizations deal with environmental complexity in various ways. Complexity is also measured in terms of the knowledge an organization needs about its environment.

Page Ref: 49-50

Objective: 2

Difficulty: Moderate

Classification: Conceptual

87) Define organizational culture and discuss its three primary implications.

Answer: Organizational culture is the shared values, principles, traditions, and ways of doing things that influence the way organizational members act. In most organizations, these important shared values and practices have evolved over time and determine, in large degree, what employees perceive about their organizational experiences and how they behave in the organization. When doing their work, the organizational culture—the "way we do things around here"—influences what employees can do and how they view, define, analyze, and resolve problems and issues.

Our definition of culture implies three things. First, culture is a *perception*. Individuals perceive the organizational culture on the basis of what they see, hear, or experience within the organization. Second, even though individuals may have different backgrounds or work at different organizational levels, they tend to describe the organization's culture in similar terms. That's the *shared* aspect of culture. Finally, organizational culture is *descriptive*. It's concerned with how members perceive the organization, not with whether they like it. It describes rather than evaluates.

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Topic: Organizational Culture

Objective: 3

Difficulty: Moderate

Classification: Conceptual

88) Identify and define the seven dimensions that make up an organization's culture.

Answer: Organizational culture has been described as the shared values, principles, traditions, and ways of doing things that influence the way organizational members act. In most organizations, these shared values and practices have evolved over time.

a. Innovation and risk taking □ the degree to which employees are encouraged to be innovative and to take risks.

b. Attention to detail □ the degree to which employees are expected to exhibit precision, analysis, and attention to detail.

c. Outcome orientation □ the degree to which managers focus on results or outcomes rather than on how these outcomes are achieved.

d. People orientation □ the degree to which management decisions take into account the effects on people in the organization.

e. Team orientation □ the degree to which work is organized around teams rather than individuals.

f. Aggressiveness □ the degree to which employees are aggressive and competitive rather than cooperative.

g. Stability □ the degree to which organizational decisions and actions emphasize maintaining the status quo.

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Topic: Organizational Culture

Objective: 3

Difficulty: Moderate

Classification: Conceptual

89) List the factors that influence the strength of an organization's culture and discuss the impact of a strong organizational culture on employees.

Answer: Organizational culture has been described as the shared values, principles, traditions, and ways of doing things that influence the way organizational members act. In most organizations, these shared values and practices have evolved over time.

Factors:

- a. size of the organization
- b. how long it has been around
- c. how much turnover there has been among employees
- d. intensity with which the culture was originated
- e. high agreement regarding what is important

The more employees accept the organization's key values and the greater their commitment to those values, the stronger the culture is. Strong cultures have a greater influence on employees than do weak cultures.

One study found that employees in organizations with strong cultures were more committed to their organization than were employees in organizations with weak cultures. The organizations with strong cultures also used their recruitment efforts and socialization practices to build employee commitment. And an increasing body of evidence suggests that strong cultures are associated with high organizational performance. It's easy to understand why a strong culture enhances performance. After all, when values are clear and widely accepted, employees know what they're supposed to do and what's expected of them so they can act quickly to take care of problems, thus preventing any potential performance decline. However, the drawback is that the same strong culture also might prevent employees from trying new approaches especially during periods of rapid change.

Page Ref: 52-54

Topic: Organizational Culture

Objective: 3

Difficulty: Moderate

Classification: Conceptual

90) How is culture transmitted to employees of an organization? In a short essay, explain the four primary forms of transmission and provide an example of each.

Answer: Culture is transmitted to employees in a number of ways. The most significant are stories, rituals, material symbols, and language.

a. **Stories:** Organizational "stories" typically contain a narrative of significant events or people including such things as the organization's founders, reactions to past mistakes, and so forth. For instance, managers at Nike feel that stories told about the company's past help shape the future. Whenever possible, corporate "storytellers" (senior executives) explain the company's heritage and tell stories that celebrate people getting things done.

b. **Rituals:** Corporate rituals are repetitive sequences of activities that express and reinforce the values of the organization, what goals are most important, and which people are important. The "Passing of the Pillars" is an important ritual at Boston Scientific's facility near Minneapolis, for example. When someone has a challenging and tough project or assignment, they're "awarded" a small two-foot high plaster-of-Paris pillar to show that they've got support from all their colleagues.

c. **Material Symbols:** Material symbols convey to employees who is important, the degree of equality desired by top management, and the kinds of behavior that are expected and appropriate. Examples of material symbols include the layout of an organization's facilities, how employees dress, the types of automobiles provided to top executives, and the availability of corporate aircraft. At WorldNow, a provider of Internet technology to local media companies, an important material symbol is an old dented drill that the founders purchased for \$2 at a thrift store. The drill symbolizes the company's culture of "drilling down to solve problems."

d. **Language:** Many organizations and units within organizations use language as a way to identify and unite members of a culture. By learning this language, members attest to their acceptance of the culture and their willingness to help preserve it. For instance, Microsoft employees have their own unique vocabulary: the term *work judo* is used to mean "the art of deflecting a work assignment to someone else without making it appear that you're avoiding it."

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Topic: Organizational Culture

Objective: 3

Difficulty: Moderate

Classification: Conceptual

91) Discuss how culture constrains managers. Include specific examples to support your answer.
Answer: Because an organization's culture constrains what managers can and cannot do, it is particularly relevant to managers. These constraints are rarely explicit. They're not written down. It's unlikely that they'll even be spoken. But they're there, and all managers quickly learn what to do and not to do in their organization.

The link between values such as these and managerial behavior is fairly straightforward. For example, in a so-called "ready-aim-fire" culture, managers will study proposed projects first and analyze them endlessly before committing to them. However, in a "ready-fire-aim" culture, managers take action and then analyze what has been done. If an organization's culture supports the belief that profits can be increased by cost cutting and that the company's best interests are served by achieving slow but steady increases in quarterly earnings. Managers are unlikely to pursue programs that are innovative, risky, long term, or expansionary. For organizations that value and encourage workforce diversity, the organizational culture and thus managers' decisions and actions, will be supportive of diversity efforts.

In an organization whose culture conveys a basic distrust of employees, managers are more likely to use an authoritarian leadership style than a democratic one. Why? The culture establishes for managers what is appropriate and expected behavior. At St. Luke's advertising agency in London, for example, a culture shaped by the value placed on freedom of expression, a lack of coercion and fear, and a determination to make work fun influences the way employees work and the way that managers plan, organize, lead, and control. The organization's culture is reinforced even by the office environment which is open, versatile, and creative.

Page Ref: 57

Topic: Organizational Culture

Objective: 3

Difficulty: Moderate

Classification: Conceptual

92) Describe the characteristics of an innovative organizational culture.

Answer: According to Swedish researcher Goran Ekvall, an innovative culture would be characterized by the following:

- a. Challenge and involvement – Are employees involved in, motivated by, and committed to long-term goals and success of the organization?
- b. Freedom – Can employees independently define their work, exercise discretion, and take initiative in their day-to-day activities?
- c. Trust and openness – Are employees supportive and respectful to each other?
- d. Idea time – Do individuals have time to elaborate on new ideas before taking action?
- e. Playfulness/humor – Is the workplace spontaneous and fun?
- f. Conflict resolution – Do individuals make decisions and resolve issues based on the good of the organization versus personal interest?
- g. Debates – Are employees allowed to express opinions and put forth ideas for consideration and review?
- h. Risk-taking – Do managers tolerate uncertainty and ambiguity, and are employees rewarded for taking risks?

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Objective: 4

Difficulty: Moderate

Classification: Conceptual

93) In a short essay, explain the reasons behind the increasing importance of workplace spirituality in recent years. How can managers best promote workplace spirituality within their organizations?

Answer: Workplace spirituality is a culture in which organizational values promote a sense of purpose through meaningful work taking place in the context of community. Organizations with a spiritual culture recognize that people have a mind and a spirit, seek to find meaning and purpose in their work, and desire to connect with other human beings and be part of a community. Workplace spirituality is important now for a number of reasons:

- a. Employees are looking for ways to counterbalance the stresses and pressures of a turbulent pace of life.
- b. Contemporary lifestyles underscore the lack of community that many people feel. People are looking for involvement and connection.
- c. Aging baby boomers are reaching mid-life and looking for something meaningful in their lives, something beyond the job.
- d. Individuals desire to integrate their personal life values with their professional lives.
- e. For some, formalized religion hasn't worked. These individuals continue to look for anchors to replace a lack of faith and to fill a growing sense of emptiness.

To increase workplace spirituality within their organizations, managers can work to promote five primary characteristics:

a. Strong sense of purpose: Spiritual organizations build their cultures around a meaningful purpose. To build spiritual organizations, managers should emphasize that while profits are important, they're not the primary values of the organization.

b. Focus on individual development: Spiritual organizations recognize the worth and value of individuals. To increase workplace spirituality, managers should seek to create cultures in which employees can continually grow and learn.

c. Trust and openness: Spiritual organizations are characterized by mutual trust, honesty, and openness. To promote spirituality, managers shouldn't be afraid to admit mistakes. They should be upfront with employees, customers, and suppliers.

d. Employee empowerment: The high-trust climate in spiritual organizations, when combined with the desire to promote learning and growth, leads to managers empowering employees to make most work-related decisions. To promote spirituality, managers should trust employees to make thoughtful and conscientious decisions.

e. Toleration of employee expression: Spiritually based organizations don't stifle employee emotions. To promote workplace spirituality, managers should create environments in which employees can express their moods and feelings without guilt or fear of reprimand.

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Topic: Organizational Culture

Objective: 4

Difficulty: Moderate

Classification: Conceptual

94) Discuss the criticisms against workplace spirituality.

Answer: Workplace spirituality is a culture in which organizational values promote a sense of purpose through meaningful work taking place in the context of community. Organizations with a spiritual culture recognize that people have a mind and a spirit, seek to find meaning and purpose in their work, and desire to connect with other human beings and be part of a community.

Critics of the spirituality movement have focused on two issues: legitimacy (Do organizations have the right to impose spiritual values on their employees?) and economics (Are spirituality and profits compatible?).

An emphasis on spirituality clearly has the potential to make some employees uneasy. Critics might argue that secular institutions, especially businesses, have no business imposing spiritual values on employees. This criticism is probably valid when spirituality is defined as bringing religion into the workplace. However, it's less valid when the goal is helping employees find meaning in their work. If concerns about today's lifestyles and pressures truly characterize a growing number of workers, then maybe it is time for organizations to help employees find meaning and purpose in their work and to use the workplace to create a sense of community.

The issue of whether spirituality and profits are compatible is certainly important. Limited evidence suggests that the two may be compatible. One study found that companies that introduced spiritually based techniques improved productivity and significantly reduced turnover. Another found that organizations that provided their employees with opportunities for spiritual development outperformed those that didn't. Others reported that spirituality in organizations was positively related to creativity, ethics, employee satisfaction, job involvement, team performance, and organizational commitment.

Page Ref: 60

Objective: 4

Difficulty: Moderate

Classification: Conceptual