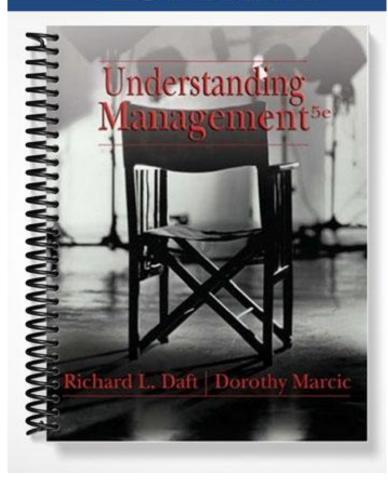
# TEST BANK



# CHAPTER 2 THE ENVIRONMENT AND CORPORATE CULTURE

# **True/False Questions**

1.	The general environment and the task environment are the two layers of an organization's external environment.				
	Answer: True	Level: 1	Page: 48	Type: DEF	
2.	The outer layer of	the external e	nvironment is	the task environment.	
	Answer: False	Level: 2	Page: 48	Type: DEF	
3.	Customers and cor of a firm's general e	•	wo important s	sectors of the economic dimension	
	Answer: False	Level: 2	Page: 50	Type: DEF	
4.	Current employees organization's inter	_		ally corporate culture are part of an	
	Answer: True	Level: 1	Page: 50	Type: DEF	
*5.	In response to decreasing supplies of oil, the automobile industry is preparing for the day when all cars will run on hydrogen. This is an example of how the politica legal dimension of the general environment influences an industry.				
	Answer: False	Level: 3	Page: 51	Type: APP	
*6.	associated decline	in other types	s of alcoholic b	wth in the sale of red wine and an beverages because a large and red wine consumption as the fad	

Answer: True Level: 1 Page: 53 Type: APP

influence an industry.

\*7. One significant trend in the economic environment is entrepreneurial start-ups that are taking advantage of new competitive rules.

of the moment. This is an example of how the sociocultural dimension can

Answer: True Level: 3 Page: 55 Type: COMP

16.

Answer: False

*8.	8. The legislatures in many undeveloped nations are reducing perceived opera risks for foreign investors who are looking for new manufacturing locations. would be part of the legal-political dimension of the general environment.					
	Answer: True	Level: 3	Page: 55	Type: APP		
9.				ve a direct working relationship bliers, and the labor market.		
	Answer: True	Level: 1	Page: 57	Type: DEF		
10.	Suppliers are the p from the organization	-	nvironment w	ho acquire goods and services		
	Answer: False	Level: 2	Page: 56	Type: DEF		
11.	In Islamic communi Cola and Pepsi-Col			Cola are competitors with Coca-		
	Answer: True	Level: 2	Page: 57	Type: APP		
12.	If British Petroleum considered a suppli		jet fuel for An	nerican Airlines (AA), then BP is		
	Answer: True	Level: 2	Page: 58	Type: APP		
13.	Cooperation with s	uppliers is bed	coming an exc	ception rather than the rule.		
	Answer: False	Level: 3	Page: 58	Type: COMP		
14.	People in the environment the labor market.	onment who ca	an be hired to	work for an organization make up		
	Answer: True	Level: 1	Page: 58	Type: DEF		
*15.				bout the external environment is rganization managers.		
	Answer: True	Level: 2	Page: 60	Type: COMP		

The set of key values, beliefs, and norms that are shared by members of an

Page: 64

Type: DEF

organization are combined to create the symbols of an organization.

Level: 2

17. A symbol is a figure who exemplifies the deeds, character, and attributes of a corporate culture.

Answer: False Level: 2 Page: 64 Type: DEF

18. Corporate culture includes stories that keep an organization's values alive.

Answer: True Level: 2 Page: 65 Type: DEF

\*19. A slogan is a phrase or sentence that succinctly expresses a key corporate value.

Answer: True Level: 1 Page: 66 Type: DEF

20. An achievement culture is found in an environment that is dynamic and requires high-risk decision-making.

Type: DEF Answer: False Level: 2 Page: 69

21. The involvement culture is suited to organizations that are concerned with serving specific customers in the external environment but without the intense need for flexibility and rapid change.

Answer: False Level: 2 Page: 69 Type: DEF

22. The consistency culture has an external focus and a consistency orientation for a dynamic environment.

Level: 2 Page: 70 Type: DEF Answer: False

23. When culture change is needed to adapt to the external environment, managers must become cultural leaders and learn how to use speech, symbols, and stories to influence underlying cultural assumptions.

Answer: True Level: 2 Page: 74 Type: COMP

# **Multiple Choice Questions**

^1.	that have a. c. iii c. t. d. g		al to affect the l environment onment onment onment	e organization	-	f the organization
				Page: 48 nmental influe	• •	
2.	organiza a. t b. g c. ii d. ii	environmations ask, indirectly general, direct nternal, indirect nternal, indirect general, indirect nternal, indirect general, indirect	tly ectly	ts the outer la	yer of the enviror	nment and affects
				Page: 48 nmental influe		Pretest
3.	a. to b. c. c. d. le	of these is NC echnological economic competitors egal-political sociocultural	OT a part of a	n organizatior	n's general enviro	onment?
	Answer AACSB			Page: 48 nmental influe	• •	
4.	a. g b. g c. ii d. t	ganization's e general, task general, interi nternal, task ask, cultural cultural, gene	nal	onment has tv	vo layers:	and
	Answer AACSB		Level: 2 deline: Enviro	Page: 49 nmental influe	Type: DEF ences	Posttest

- 5. Which of the following is a dimension of the general environment?
  - competitors a.
  - b. labor market
  - current employees C.
  - d. economic
  - customers e.

Answer: d Level: 2 Page: 48 Type: DEF

AACSB Testing Guideline: Environmental influences

- \*6. Firoza Ismail sells Coca-Cola at her convenience store in British Columbia. Ismail would be considered a part of Coca-Cola's:
  - general environment a.
  - demographic environment b.
  - C. economic environment
  - task environment d.
  - e. channel environment

Answer: d Level: 2 Page: 50 Type: APP

- 7. Which of these is a part of an organization's internal environment?
  - its customers
  - its salespeople b.
  - the consumer price index C.
  - d. its suppliers
  - its competitors e.

Level: 2 Answer: b Page: 50 Type: DEF

AACSB Testing Guideline: Environmental influences

- \*8. Which of the following is a part of the task environment for Dell, a U.S. computer manufacturer?
  - a. Inflation rate
  - Hewlett-Packard (H-P), a computer manufacturer b.
  - Securities and Exchange Commission (SEC), a government regulating C. agency
  - Amazon.com, an on-line bookseller d.
  - Dell's corporate culture e.

Answer: b Level: 2 Page: 50 Type: APP

- 9. Which of the following is NOT one of the sectors of task environment?
  - a. competitors
  - b. labor market
  - c. current employees
  - d. economic
  - e. customers

Answer: d Level: 2 Page: 50 Type: DEF

AACSB Testing Guideline: Environmental influences

- 10. The internal environment includes:
  - a. current employees, management, and the corporate culture
  - b. current employees, management, but not the corporate culture
  - c. government, technology, and the economy
  - d. government, technology, corporate culture, and the economy
  - e. corporate culture alone

Answer: a Level: 3 Page: 50 Type: DEF

AACSB Testing Guideline: Environmental influences

- \*11. Which dimension of the general environment represents events originating in foreign countries as well as opportunities for American companies in other countries?
  - a. national dimension
  - b. global dimension
  - c. international dimension
  - d. task dimension
  - e. ethnocentric dimension

Answer: c Level: 1 Page: 50 Type: DEF

- \*12. China has been referred to as "the workshop of the world" because so many manufacturers have relocated their operations to China to take advantage of its cheap, productive labor. The influence of the "workshop of the world" on global manufacturing illustrates which dimension of the general environment?
  - a. national dimension
  - b. global dimension
  - c. international dimension
  - d. task dimension
  - e. ethnocentric dimension

Answer: c Level: 1 Page: 50 Type: APP Pretest

- \*13. Scientific and technological advancements in a specific industry as well as in society at large are included in which general environment?
  - sociocultural dimension a.
  - b. legal-political dimension
  - economic dimension C.
  - technological dimension d.
  - corporate culture dimension e.

Level: 1 Answer: d Page: 51 Type: DEF

AACSB Testing Guideline: Environmental influences

- \*14. In the business world, computer networking and the use of microprocessors have allowed managers to monitor and control numerous automated production lines from off-site locations. This ability to increase productivity reflects how the influences the general environment.
  - sociocultural dimension а
  - legal-political dimension b.
  - economic dimension C.
  - technological dimension d.
  - corporate culture dimension e.

Answer: d Level: 1 Page: 51 Type: APP

- 15. The dimension of the general environment representing the demographic characteristics, norms, customs, and values of the population within which the organization operates is referred to as a(n):
  - legal-political dimension a.
  - economic dimension b.
  - C. technological dimension
  - corporate culture dimension d.
  - sociocultural dimension e.

Answer: e Level: 1 Page: 53 Type: DEF

AACSB Testing Guideline: Environmental influences

d.

e.

Answer: a

competitors suppliers

Level: 2

AACSB Testing Guideline: Environmental influences

*16.	for skin lightenicurrent decade demeaning proexample of a callegal-pole. econom c. technolod. corporat	ing ointments in e, people in India ocess and one th	India were apply the land in t	lighter complexic proximately \$150 view skin lighter should engage in	million. In the ning as a
	Answer: e	Level: 1	Page: 54	Type: APP	Posttest
17.	Herald, with art	icles emphasizin esponding to cha tural egical ic tors	g Hispanic, Cι		per, <i>El Nuevo</i> merican news and
	Answer: a AACSB Testing	Level: 2 g Guideline: Envi	-	<b>7</b> 1	
*18.	for western-style	umn of 2005 to o fast food in the nges in the tural ogical	apitalize on gr nation. McDo		ship and demand e-thrus in

Pages: 54

Type: APP

- \*19. The general economic health of the country or region is typically determined by:
  - geographical distribution, population density, age, and educational levels
  - fair trade statutes, safety laws, protective legislation, and export b. restrictions
  - consumer purchasing power, unemployment rate, interest rates C.
  - legislative branches of the government and number of laws passed each d.
  - geographical distribution, fair trade status and consumer purchasing e. power

Level: 3 Page: 54 Type: DEF Answer: c AACSB Testing Guideline: Environmental influences

- \*20. A number of foreign companies have decided to halt outsourcing work to India because of a new tax ruling passed by the Indian legislature that would enable the Indian government to take part of the companies' worldwide earnings. This is an dimension of the general environment. example of the
  - technological a.
  - b. legal-political
  - task C.
  - d. sociocultural
  - economic e.

Answer: b Level: 2 Page: 55 Type: APP

- \*21. Which of the following is a part of the legal-political dimension?
  - geographical distribution, population density, age, educational levels a.
  - fair trade statutes, safety laws, protective legislation, export restrictions b.
  - consumer purchasing power, unemployment rate, interest rates C.
  - legislative branches of the government, number of laws passed each d. year, types of legislation passed
  - geographical distribution, fair trade status, consumer purchasing power e.

Answer: d Level: 3 Page: 55 Type: DEF

AACSB Testing Guideline: Environmental influences

22.	Consumers think of salmon as pink, but the pink coloration is a result of a food
	additive. Salmon is naturally a grayish color. Salmon farmers in the European
	Union will have to stop adding the pink additive due to a new food safety initiative
	enacted by the EU. This is an example of a change in the:

- a. technological dimension
- b. sociocultural dimension
- c. task environment
- d. economic dimension
- e. legal-political dimension

Answer: e Level: 3 Page: 55 Type: APP AACSB Testing Guideline: Environmental influences

- 23. \_\_\_\_ dimension of the general environment includes federal, state, and local government regulations.
  - a. Technological
  - b. Legal-political
  - c. Economic
  - d. Sociocultural
  - e. International

Answer: b Level: 1 Page: 55 Type: DEF

AACSB Testing Guideline: Environmental influences

- \*24. An interest group that works within the legal-political framework to influence companies to behave in socially responsible ways is called a(n):
  - a. pressure group
  - b. legal group
  - c. political influence group
  - d. social alliance
  - e. stakeholder coalition

Answer: a Level: 1 Page: 55 Type: DEF

- \*25. A recent ad campaign for Mecca-Cola wants to target people in Islamic communities. What environment would this group be found in?
  - a. internal environment
  - b. task environment
  - c. work environment
  - d. general environment
  - e. demographic environment

Answer: b Level: 2 Page: 57 Type: APP **Pretest** 

*26.	When Maytag, an appliance manufacturer, buys microprocessors from Intel for its new washing machines, the action occurs in dimension of the environment.  a. customer, task  b. customer, general  c. competitor, task  d. supplier, task  e. economic, task							
	Answe	er: a	Level: 2	Page: 57	Type: APP	Posttest		
*27.	power a. b. c. d.		lominate the		akhouse were loc lustry. They can b			
	Answe	er: b	Level: 2	Page: 57	Type: APP			
<ul> <li>Traditionally, many manufacturer and relationships Recently, companies are finding that cooperation is the key maintaining quality, and speeding products to market.</li> <li>a. government</li> <li>b. employee</li> <li>c. supplier</li> <li>d. special interest groups</li> <li>e. customer</li> </ul>					ion is the key to sa			
	Answe	er: c	Level: 1	Page: 58	Type: COMP			
29.	organiza. b. c. d. e.	zation. competitors labor market suppliers customers government er: b	Level: 1	Page: 58	ent who can be hi Type: DEF social influences	red to work for the		

*30.	manuf cheap Japan	acturers have , productive la 's leading pro	e relocated the abor. One cor ducer of pape lved in the Jap	ir operations t npany that ha r. The	the world" because so many o China to take advantage of its s recently moved to China is dimension of the external any's relocation.			
	Answe AACS		Level: 2 ideline: Enviro	Page: 58 nmental influe	Type: APP ences			
31.					ironment who can work for the an impact on organizations now			
	a.	necessity for continuous investment through education and the effects of international trading blocs, automation, and shifting plant locations that create unused labor pools						
	b. c.	the shifts in the labor pools from the East Coast to the Sunbelt						
	d. e.	d. changes in the work ethic and the growing number of out-of-work people						
	Answe AACS		Level: 3 ideline: Enviro	Page: 58 nmental influe	Type: COMP ences			
*32.	a. b. c. d. e.	provide the r Competitors Customers Developing r Suppliers Retailers		needed for ou	utput production.			
	Answe	er: d	Level: 2	Page: 58	Type: DEF			

- \*33. Which statement about the environment is true?
  - When the environment is dynamic, uncertainty is low. a.
  - When the environment is unstable, uncertainty is low. b.
  - C. A dynamic environment has more uncertainty than a stable environment.
  - The stability of the environment does not determine the structure of the firm. d.
  - Environmental uncertainty is unaffected by how dynamic an organization is. e.

Answer: c Level: 3 Page: 60 Type: COMP

- \*34. Which of the following is necessary for adapting the organization to changes in the environment and for coping with high environmental uncertainty?
  - boundary-spanning roles a.
  - advertising/public relations b.
  - inflexibility of management style C.
  - d. work-specific task assignments
  - bureaucratic structure e.

Page: 60 Type: COMP Answer: a Level: 2

AACSB Testing Guideline: Environmental influences

- 35. In today's turbulent activities, the most successful companies involve every employee in:
  - marketing a.
  - production b.
  - entrepreneurial activities C.
  - creating a cultural paradigm d.
  - boundary-spanning activities e.

Answer: e Level: 1 Page: 61 Type: COMP

- \*36. are associated with the surface level of organizational culture.
  - a. Values
  - Norms b.
  - Manners of dress C.
  - d. Beliefs
  - e. All of the these

Level: 2 Page: 62 Type: DEF Answer: c

- 37. Symbols, stories, and heroes are important because they:
  - a. entertain executive level management
  - b. address the concerns of government
  - c. acquaint customers to the organization
  - d. communicate the significant values of an organization
  - e. give employees something to talk about

Answer: d Level: 1 Page: 62 Type: COMP

- \*38. Which of the following would be considered a visible representation of organizational culture?
  - a. All department heads have an executive office.
  - b. Each department has an award plaque for employee of the month.
  - c. All employees are dressed in professional business attire.
  - d. Top level executives drive company owned sports car.
  - e. All of the these would be considered a visual representation of a organizational culture.

Answer: e Level: 2 Page: 62 Type: APP

- 39. An example of a corporate culture can be seen in:
  - a. an object, act, or event that conveys meaning to others
  - b. manner of dress, stories, physical symbols, organizational ceremonies, and office layout
  - c. an association made of organizations with similar interests for the purpose of influencing the environment
  - d. roles assumed by people and or departments that link and coordinate the organization with key elements of the external environment
  - e. an association of people gathered together to discuss areas of disagreement

Answer: b Level: 2 Page: 62 Type: DEF

- \*40. Symbols, stories, and heroes are important in a corporate culture because they:
  - a. entertain executive level management
  - b. address the concerns of government
  - c. acquaint customers to the organization
  - d. communicate the significant values of an organization
  - e. give employees something to talk about

Answer: d Level: 1 Page: 62 Type: COMP Pretest

41.	An object, act, or event that conveys meaning to others is referred to as a: a. symbol b. slogan c. story d. hero e. culture							
	Answ	er: a	Level: 1	Page: 64	Type: DEF			
*42.			-		each school month on the contract of the cause, it is an e			
	Answ	er: c	Level: 1	Page: 64	Type: APP			
43.			a narrative bas ational employ		ents that is repeated	frequently and		
	Answ	er: c	Level: 1	Page: 65	Type: DEF			
*44.	Heroe a. b. c. d.	<ul> <li>b. exemplify a strong corporate culture</li> <li>c. serve as examples to other employees</li> <li>d. perform deeds that are out of the ordinary but still doable by other employees</li> </ul>						
	Answ	er: e	Level: 2	Page: 66	Type: COMP	Posttest		

45.	_	erre who exemperred to as a: symbol story slogan hero culture	olifies the deed	ds, character,	and attributes of a corporate culture
	Answ	er: d	Level: 1	Page: 66	Type: DEF
46.		n of these rep rate value? symbol story culture hero slogan	resent a phras	e or sentence	e that succinctly expresses a key
	Answ	er: e	Level: 1	Page: 66	Type: DEF
*47. Kodak's "Share Moments. Share Life." represents a:     a. ceremony     b. symbol     c. ritual     d. slogan     e. cultural motto					nts a:
	Answ	er: d	Level: 2	Page: 66	Type: APP
48.	<ul> <li>8. If a company emphasizes that "no purchase is complete until the custom satisfied," then it is:</li> <li>a. utilizing a symbol</li> <li>b. communicating its values to customers</li> <li>c. using a slogan to present its values to customers and employees</li> <li>d. utilizing a hero for the purpose of conveying values</li> <li>e. using customers to harass the employees</li> </ul>				
	Answ	er: c	Level: 1	Page: 66	Type: APP

- \*49. Marion Kalhoun had two rules posted next to the front door at his dairy store. Rule #1: The customer is always right! Rule #2: If the customer is ever wrong, reread Rule #1. These rules represent:
  - a slogan a.
  - b. a story
  - a symbol C.
  - a ceremonious statement d.
  - a corporate motto e.

Level: 2 Page: 66 Type: APP Answer: a

- \*50. Ceremonies are planned activities that make up a special event and are conducted for the benefit of an audience. Which of the following is NOT an example of a ceremony?
  - an annual homecoming festivity held for Corvette owners
  - a car dealer's annual sales contest b.
  - the last day of a laid-off employee C.
  - d. an annual sales meeting
  - the introduction of a new generation of a computer

Level: 2 Page: 66 Type: APP Answer: c

- \*51. Harold Geneen ran ITT in the 1960s. He publicly humiliated his top 120 executives monthly at grueling four-day, 14-hour meetings. What type of symbolic management tool was Geneen using?
  - ceremonies a.
  - reinforcement b.
  - C. symbols
  - d. slogans
  - none of these e.

Level: 2 Page: 66 Type: APP Answer: e

- \*52. Managers in adaptive cultures:
  - care deeply about customers and processes that bring about useful change a.
  - b. tend to be egotistical
  - value risk-reducing management C.
  - care only about their immediate work group d.
  - are described by all of these e.

Type: COMP Answer: a Level: 2 Page: 67 AACSB Testing Guideline: Individual dynamics in an organization

53	All of the following a. adaptability b. involvemer c. consistency d. democration e. achieveme	culture at culture y culture culture	corporate cultu	res EXCEPT:		
	Answer: d	Level: 2	Page: 68	Type: DEF		
54	The adaptability of response and a. fast; high-rist; low-rist c. slow; high-rist d. slow; low-rist e. regulated; l	decision sk sk risk sk		nment that req	uires	
	Answer: a	Level: 3	Page: 68	Type: DEF		
*5	customers in the cand rapid change a. adaptability b. clan culture c. achieveme d. consistence. participativ	external envir / culture e nt culture y culture				
	Answer: c AACSB Testing G		Page: 69 ironmental infl			
56	The involvement of of employees to rate a. external b. internal c. structural d. competitive e. technologic	apidly meet ch				cipation
	Answer: b	Level: 1	Page: 69	Type: DEF	Pretest	

57.		onment. external; sta external; dy internal; sta	able namic Ible namic	) focus	and an orient	ation for a	
	Answ	er: c	Level: 3	Page: 70	Type: DEF	Posttest	
*58.	ğ ,ı						
	Answ	er: d	Level: 2	Page: 71	Type: COMF		
*59.	The corporate culture:  a. is exactly the same for all companies within an industry  b. is the same regardless of the organization's environment  c. holds the people of an organization together  d. is only important to the top levels of management  e. is accurately described by none of these						
		er: c SB Testing G	Level: 3 uideline: Grou	•	Type: COMF		
*60.	A cult a. b. c. d. e.	uses symbol serves as a creates mon monitors so	reference for	to influence co the rest of the r the organizat	organization.	re.	
				rage: 73 ridual dynamics	• •		

- \*61. A cultural leader would NOT:
  - a. articulate a vision of new organizational change
  - b. generate excitement about the vision
  - c. make sure that existing slogans match new values
  - d. fail to seek and hire new employees who share the new vision
  - e. "walk the talk"

Answer: d Level: 3 Page: 73 Type: DEF

AACSB Testing Guideline: Individual dynamics

# **Scenario Questions**

## Scenario - TopPick Cards, Inc.

At TopPick Cards, Inc. (TCI), new employees are typically young, recent college graduates. Each employee enters a specific area in the company, such as finance or marketing, and spends his or her career in that area in order to develop a high level of expertise in it.

Part of this emphasis on technical expertise involves learning about customer needs and finding ways to change in order to meet those needs. The corporate culture at TCI is supportive of employees who look for new ways to meet those needs. In fact, a common expression at TCI is, "Customers come first." One popular story at TCI is about a sales representative who was able to make all of his sales calls – in the middle of an ice storm. The sales manager enjoyed the story so much that he bought a case of ice scrapers, and when a sales representative does something noteworthy, the manager presents him or her with a "TCI Ice Scraper Award."

- 1. Based on your reading about TCI, how would you describe the relationship between the company's culture and the environment?
  - a. inflexible
  - b. reactive
  - c. adaptive
  - d. obstructive
  - e. mechanistic

Answer: c Level: 2 Page: 60

2.	The ice scraper is a:								
۷.	a.	hero							
	b.	slogan							
	C.	ceremony							
	d.	•							
		functional ico	on						
	Answ	er: d	Level: 2	Page: 64					
3.	The "i	The "ice storm" represents a:							
	a. slogan								
	b.	hero							
	c. corporate system								
	d.	· · · · · · · · · · · · · · · · · · ·							
	e.	corporate no	rm						
	Answ	er: b	Level: 2	Page: 66					
4.	TCl's culture would be described as a(n) culture.								
••	a.	· , ————							
	b.	'							
	-	involvement	•						
		bureaucratic							
		consistency							
	C.	consistency							
	Answ	er: b	Level: 2	Page: 69					
5.	The phrase, "Customers come first" is a(n):								
	a.	slogan		,					
	b.	ceremony							
	C.	fable							
		economic me	otto						
	e.	workplace he							
	Answ	er: a	Level: 2	Page: 66					

# **Scenario - Stanton's Jewelry**

Answer: c

Level: 2

Herman John had been in the jewelry business for 36 years and was thinking seriously about selling the business and retiring. Many things had changed. New competitive jewelry chains had sprung up. Much of what they sold came from international suppliers, which he felt provided lower quality than his domestic producers. Their prices were lower and many potential customers bought on price, not recognizing the quality difference. The business had its cycles too. In good economic times people had more discretionary income and were able to afford his jewelry. But business declined in economic recessions. It seemed increasingly difficult to keep and train employees at the store. The last clerk stayed six months and then took a job with a competitor. Yes, it was time to sell and retire.

1.	The diamond industry has been accused of providing financial support bloody civil wars currently being fought in Africa. Rebel forces control diamond mines. Sometimes the only way a jeweler like John can find quality, affordable diamonds is to buy from rebel leaders. Concerns all source of diamonds is part of the dimension of the environment external, ethical  b. political-legal, task c. ethical, general d. economic, task e. international, general							
	Answe	er: e	Level: 2	Page: 50				
2.	Ever since John has owned his jewelry store, what is a fashionable look a what is an out-of-date look for jewelry has changed just as people's tastes clothes and other accessories have changed. These fashion changes ref changes in the dimension of the environment.  a. external, task  b. sociocultural, general  c. supplier, task  d. ethical, general  e. economic, general							
	Answe	er: b	Level: 2	Page: 53				
3.	The n a. b. c. d. e.	technologica internal envi task environ economic er	al environmen ronment ment					

Page: 57

- 4. His current customers are in the:
  - general environment a.
  - b. internal environment
  - C. task environment
  - d. organizational environment
  - economic environment e.

Level: 2 Page: 57 Answer: c

- Diamond merchants from the Netherlands that sell to John and his competitors 5. are in the:
  - a. general environment
  - international environment b.
  - C. internal environment
  - task environment d.
  - e. economic environment

Page: 50 Answer: d Level: 2

- 6. John's employees are in the:
  - general environment
  - internal environment b.
  - task environment C.
  - d. sociocultural environment
  - economic environment e.

Answer: b Level: 2 Page: 58

## Scenario – Hughston Industries

Mona Kiertz is the sales manager for Hughston Industries. Some of the sales executives were showing signs of burnout. They were losing interest in their jobs and were no longer highly motivated to gain new accounts. The reward system focused on the old reliable accounts, but Kiertz was now under pressure to expand the customer base. She had recently been to a seminar on corporate value systems. She recognized that the company's CEO wanted a change in the way employees thought about the firm and in the way they related to one another. She further recognized that a lasting solution to her problem required a fundamental shift in perception.

1.	a. b. c.	will be workin legal-political sociocultural internal economic demographic		th the	dimension.	
	Answe	er: c	Level: 2	Page: 50		
2.	Kiertz could use the following to explain the corporate culture:  a. structured symbolic logic  b. stories about political heroes  c. stories about company officers to stress a value  d. heroes who work for competitors  e. all of these					
	Answe	er: c	Level: 2	Page: 64-6	6	
3.	Hughs a. b. c. d.		nges needed culture		nented, Kiertz must assume	
	Answer: e		Level: 2	Page: 67		

- 4. The changes will be most successful at Hughston if the organization has a(n) type of culture.
  - achievable a.
  - clan b.
  - involvement C.
  - consistency d.
  - achievement e.

Answer: e

Level: 2

Page: 69

- 5. By ensuring that people in the organization have a voice in how the vision of the CEO is to be met. Kiertz assumes the role of:
  - cultural ombudsman a.
  - achievement monitor b.
  - C. task supervisor
  - cultural leader d.
  - e. task master

Level: 2 Page: 73 Answer: d

## **Short-Answer Questions**

\*1. What is the composition of the external organizational environment?

Answer: all elements existing outside the boundary of the organization that have the potential to affect the organization

Level: 1

Page: 48

Type: DEF

\*2. How do the general environment and the internal environment differ?

Answer: The general environment is the outer layer that is widely dispersed and affects organizations indirectly. The internal environment includes the elements within the organization's boundaries.

Level: 1

Pages: 48-50

Type: COMP

\*3. What is the composition of the task environment?

> Answer: It includes the sectors that conduct day-to-day transactions within the organization.

> > Level: 1

Page: 50

Type: DEF

4.

<del>5</del>	
Answer: Technological, sociocultural, economic, legal/political,	and international.
7 the World Tool more great, occioe attain, occinemo, regampentical,	aria iritorriatioriai.

List the five dimensions of the general environment.

Level: 1 Page: 52 Type: DEF

\*5. U.S.-based Dixon Ticonderoga Co. is in trouble because of increased competition from low-cost pencil manufacturers in China. Which dimension of the general environment is having the greatest impact on this company?

Answer: international Level: 1 Page: 50 Type: APP

\*6. Briefly describe the technological dimension of the general environment.

Answer: the scientific and technological advancements in a specific industry and in society at large

Level: 1 Page: 51 Type: DEF

\*7. What are the components of the sociocultural dimension of the general environment?

Answer: the demographic characteristics as well as the norms, customs, and values of the general population

Level: 1 Page: 53 Type: DEF

\*8. What are the components of the legal-political dimension of the general environment?

Answer: government regulations at the local, state, and federal levels

Level: 1 Page: 55 Type: DEF

\*9. What is a pressure group?

Answer: an interest group that works within the legal-political framework to influence companies to behave in socially responsible ways

Level: 1 Page: 55 Type: DEF

\*10. In terms of the internal environment, what one word best defines the relationship between GMC, Ford, Nissan, Toyota, and Volkswagen?

Answer: competitors Level: 1 Page: 57 Type: APP

\*11. What are suppliers?

> Answer: They are people and organizations that provide raw materials the organization uses to produce its output.

> > Level: 1 Page: 58 Type: DEF

\*12. What is the collective name for people in the environment who can be hired to work for the organization?

Answer: labor market

Level: 1 Page: 58 Type: DEF

\*13. How would an organizational manager define uncertainty?

> Answer: Not having sufficient information about environmental factors to understand and predict environmental needs and changes

> > Level: 1 Page: 60 Type: DEF

\*14. What type of uncertainty does an organization experience when environmental factors are rapidly changing?

Answer: high Level: 2 Page: 60 Type: COMP

\*15. What are the three types of strategies that organizations can use to adapt to environmental changes?

Answer: boundary-spanning roles, interorganizational partnerships, mergers or joint ventures.

> Type: DEF Level: 2 Page: 60

\*16. Define culture.

> Answer: the set of key values, beliefs, understandings, and norms shared by members of an organization

> > Page: 62 Level: 1 Type: DEF

17. List three visible artifacts of an organization's culture.

Answer: Possible responses would include dress, heroes, office layout, symbols, slogans, and ceremonies.

Level: 2 Page: 62 Type: DEF

\*18. What is the name for a narrative based on true events that is repeated frequently and shared among organizational employees?

Answer: story Level: 1 Page: 65 Type: DEF

\*19. How would you explain the following statement: "The deeds of organizational heroes should not be too extraordinary."

Answer: The deeds of heroes are extraordinary, but not so extraordinary that other employees cannot attain the same deeds.

Level: 1 Page: 66 Type: COMP

\*20. What does a slogan communicate?

Answer: a key corporate value

Level: 1 Page: 66 Type: DEF

21. List two reasons why ceremonies are held in an organization.

Answer: Possible responses would include: to reinforce valued accomplishments, to create a bond among people by allowing them to share an important event, and to anoint and celebrate heroes.

Level: 2 Page: 66 Type: COMP

22. Name one of the two dimensions that the four types of culture are based on.

Answer: Responses will be either (1) the extent to which the external environment requires flexibility or stability, or (2) the extent to which a company's strategic focus is internal or external.

Level: 2 Page: 68 Type: DEF

\*23. What type of culture emerges in an environmental situation with high-risk decision making and fast feedback from the environment?

Answer: adaptability

Level: 2 Page: 68 Type: DEF

\*24. What type of culture values competitiveness, aggressiveness, personal initiative, and willingness to work long and hard to achieve results?

Answer: achievement culture

Type: DEF Level: 1 Page: 69

\*25. What type of culture places high value on HR and creates a family-like atmosphere?

Answer: involvement

Type: DEF Page: 69 Level: 1

\*26. What type of culture do organizations with internal focuses and consistency orientations for a stable environment need?

Answer: consistency

Page: 70 Type: DEF Level: 1

\*27. What is a cultural leader?

Answer: a manager who defines and uses signals and symbols to influence corporate culture

> Level: 1 Page: 73 Type: DEF

# **Essay Questions**

1. Define the external organizational environment. List the four things this environment includes that could influence an organization.

#### Answer:

The external organizational environment is all elements that exist outside the organization's boundaries that have the potential to affect the organization.

The environment includes competitors, resources, technology, and economic conditions.

Level: 2 Page: 48 Type: COMP

2. Explain why the task and general environments are important to organizations.

#### Answer:

The task environment is the part of the external environment that is closest to the organization and affects its day-to-day transactions. It directly affects its basic operations and performance. The general environment is more widely dispersed and affects the organization indirectly and affects all organizations about equally.

Level: 2 Pages: 48-50 Type: COMP

3. Name the five dimensions of the general environment and describe each dimension.

#### Answer:

The five dimensions of the general environment are international, technological sociocultural, economic, and legal-political. International dimension refers to events originating in foreign countries as well as opportunities for American companies in other countries. Technological dimension refers to the scientific and technological advancements within a specific industry and society. Sociocultural dimension represents the demographic characteristics of the general population. Economic dimension represents the general economic health of the country or area in which the organization operates. Legal-political dimension refers to the local, state, and federal regulations and the political activities designed to influence company behavior.

Level: 2 Pages: 49-55 Type: DEF

4. Briefly describe the task environment and its four primary sectors.

#### Answer:

The task environment is the portion of the external environment that directly influences the organization's operations and performance.

The task environment is made up of customers, competitors, suppliers, and the labor market. These sectors typically conduct day-to-day transactions with the organization.

> Level: 2 Pages: 50; 56-58 Type: DEF

5. Based on the model in the text, discuss the relationship between external environmental characteristics and uncertainty.

#### Answer:

The external environment can be evaluated along two dimensions. First, one can evaluate (high to low) a number of factors in the environment. Second, one can evaluate (high to low) the rate of change of those factors. When both variables are low, low uncertainty characterizes the external environment. When both variables are high, the external environment is marked by a high level of uncertainty. A highly uncertain environment requires organizations to adapt and/or attempt to influence the external environment.

> Level: 3 Type: COMP Page: 60

\*6. Analyze the different levels of culture.

#### Answer:

Culture can be analyzed at three levels. At the surface, there are the visible representations of culture, such as ceremonies and patterns of behaviors. These representations are easily observable. The second level of culture can be found in expressed ideas and values. These ideas and values can be identified through an analysis of such things as symbols and stories. The third level of culture refers to those values and understandings that are so deeply held that they are unobservable and operate at the level of the subconscious and/or unconscious.

> Level: 3 Pages: 61-63 Type: COMP

7. How would you describe the culture at your college? Give specific examples of the symbols, slogans, and ceremonies at your school.

#### Answer:

Culture refers to the set of key values, beliefs, understandings, and norms that members of an organization share. Among the examples students might point to are faculty dress (casual or business attire), student conduct code, theme for the year, mission statement, and graduation ceremony.

Level: 3 Pages: 63-66 Type: APP

8. Distinguish between adaptive and unadaptive cultures.

#### Answer:

Healthy cultures help companies adapt to the environment. Adaptive cultures are concerned about customers and those internal people and processes that bring about useful change. In unadaptive corporate cultures, managers are concerned about themselves and their values tend to discourage risk taking and change.

Level: 3 Page: 67 Type: COMP

9. List the four categories of culture and describe what kind of environments each fits best in.

#### Answer:

Adaptability culture fits best in fast response and high-risk decision making environments. Achievement culture fits best in results-oriented cultures that value competitiveness, aggressiveness, personal initiative, and willingness to work long and hard to achieve results. Involvement culture fits best in internal and employee-need focused environments where the organization is seen as having a caring, family-like atmosphere. Consistency culture fits best in internal focused organization that has a consistency orientation for a stable environment.

Level: 2 Pages: 68-70 Type: COMP

10. Briefly discuss the two ways in which the cultural leader influences corporate culture.

#### Answer:

First, the cultural leader is able to articulate a vision that others can believe in and get excited about. Second, the cultural leader knows that the visible artifacts (e.g., ceremonies), as well as day-to-day behaviors, must support the cultural vision.

Level: 2 Page: 73 Type: COMP