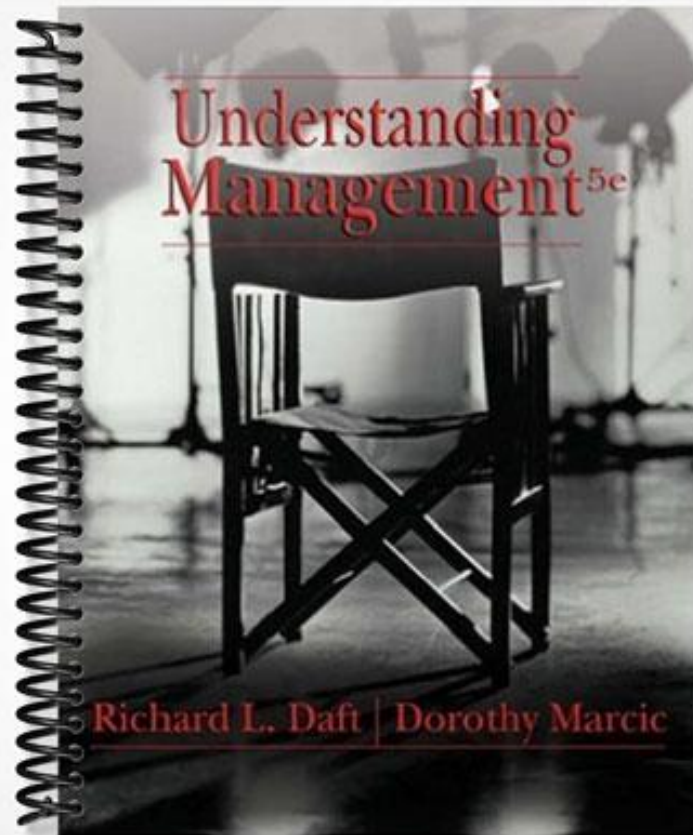


**TEST BANK**



**Understanding  
Management<sup>5e</sup>**

**Richard L. Daft | Dorothy Marcic**

## 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 environment is the task environment.  
Answer: False      Level: 2      Page: 48      Type: DEF
3. Customers and competitors are two important sectors of the economic dimension of a firm's general environment.  
Answer: False      Level: 2      Page: 50      Type: DEF
4. Current employees, management, and especially corporate culture are part of an organization's internal environment.  
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 political-legal dimension of the general environment influences an industry.  
Answer: False      Level: 3      Page: 51      Type: APP
- \*6. Wine merchants have seen extraordinary growth in the sale of red wine and an associated decline in other types of alcoholic beverages because a large percentage of the Chinese market has adopted red wine consumption as the fad of the moment. This is an example of how the sociocultural dimension can influence an industry.  
Answer: True      Level: 1      Page: 53      Type: APP
- \*7. One significant trend in the economic environment is entrepreneurial start-ups that are taking advantage of new competitive rules.  
Answer: True      Level: 3      Page: 55      Type: COMP

- \*8. The legislatures in many undeveloped nations are reducing perceived operational risks for foreign investors who are looking for new manufacturing locations. This would be part of the legal-political dimension of the general environment.

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

9. The task environment includes sectors that have a direct working relationship with the organization, such as customers, suppliers, and the labor market.

Answer: True      Level: 1      Page: 57      Type: DEF

10. Suppliers are the people in the environment who acquire goods and services from the organization.

Answer: False      Level: 2      Page: 56      Type: DEF

11. In Islamic communities, Mecca-Cola and Qibla-Cola are competitors with Coca-Cola and Pepsi-Cola for the soft drink market.

Answer: True      Level: 2      Page: 57      Type: APP

12. If British Petroleum (BP) provides jet fuel for American Airlines (AA), then BP is considered a supplier for AA.

Answer: True      Level: 2      Page: 58      Type: APP

13. Cooperation with suppliers is becoming an exception rather than the rule.

Answer: False      Level: 3      Page: 58      Type: COMP

14. People in the environment who can be hired to work for an organization make up the labor market.

Answer: True      Level: 1      Page: 58      Type: DEF

- \*15. The reason that organizations care so much about the external environment is that this environment creates uncertainty for organization managers.

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

16. The set of key values, beliefs, and norms that are shared by members of an organization are combined to create the symbols of an organization.

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

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.  
Answer: False      Level: 2      Page: 69      Type: DEF
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.  
Answer: False      Level: 2      Page: 70      Type: DEF
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. The \_\_\_\_ includes all elements existing outside the boundary of the organization that have the potential to affect the organization.
- organizational environment
  - internal environment
  - task environment
  - general environment
  - technological environment

Answer: a            Level: 2            Page: 48            Type: DEF  
AACSB Testing Guideline: Environmental influences

2. The \_\_\_\_ environment represents the outer layer of the environment and affects organizations \_\_\_\_.
- task, indirectly
  - general, directly
  - internal, directly
  - internal, indirectly
  - general, indirectly

Answer: e            Level: 2            Page: 48            Type: DEF            **Pretest**  
AACSB Testing Guideline: Environmental influences

3. Which of these is NOT a part of an organization's general environment?
- technological
  - economic
  - competitors
  - legal-political
  - sociocultural

Answer: c            Level: 1            Page: 48            Type: DEF  
AACSB Testing Guideline: Environmental influences

4. The organization's external environment has two layers: \_\_\_\_ and \_\_\_\_.
- general, task
  - general, internal
  - internal, task
  - task, cultural
  - cultural, general

Answer: a            Level: 2            Page: 49            Type: DEF            **Posttest**  
AACSB Testing Guideline: Environmental influences



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?
- a. sociocultural dimension
  - b. legal-political dimension
  - c. economic dimension
  - d. technological dimension
  - e. corporate culture dimension

Answer: d            Level: 1            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.
- a. sociocultural dimension
  - b. legal-political dimension
  - c. economic dimension
  - d. technological dimension
  - e. corporate culture dimension

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):
- a. legal-political dimension
  - b. economic dimension
  - c. technological dimension
  - d. corporate culture dimension
  - e. sociocultural dimension

Answer: e            Level: 1            Page: 53            Type: DEF  
AACSB Testing Guideline: Environmental influences



- \*16. In past years, women in India have wanted a lighter complexion. Annual sales for skin lightening ointments in India were approximately \$150 million. In the current decade, people in India have come to view skin lightening as a demeaning process and one that no woman should engage in. This is an example of a change in the:
- legal-political dimension
  - economic dimension
  - technological dimension
  - corporate culture dimension
  - sociocultural dimension

Answer: e                      Level: 1                      Page: 54                      Type: APP                      **Posttest**

17. When The Dallas Times launched a Spanish-language newspaper, *El Nuevo Herald*, with articles emphasizing Hispanic, Cuban, and Latin American news and sports, it was responding to changes in the \_\_\_\_\_ dimension.
- sociocultural
  - technological
  - economic
  - competitors
  - suppliers

Answer: a                      Level: 2                      Page: 54                      Type: APP  
AACSB Testing Guideline: Environmental influences

- \*18. McDonald's, the fast-food chain, opened its first drive-thru hamburger outlet in China in the autumn of 2005 to capitalize on growing car ownership and demand for western-style fast food in the nation. McDonald's added drive-thrus in response to changes in the \_\_\_\_\_ dimension of China's general environment.
- sociocultural
  - technological
  - economic
  - competitors
  - suppliers

Answer: a                      Level: 2                      Pages: 54                      Type: APP  
AACSB Testing Guideline: Environmental influences

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

Answer: c            Level: 3            Page: 54            Type: DEF  
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 example of the \_\_\_\_\_ dimension of the general environment.
- a. technological
  - b. legal-political
  - c. task
  - d. sociocultural
  - e. economic

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

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

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:
- technological dimension
  - sociocultural dimension
  - task environment
  - economic dimension
  - 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.
- Technological
  - Legal-political
  - Economic
  - Sociocultural
  - 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):
- pressure group
  - legal group
  - political influence group
  - social alliance
  - 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?
- internal environment
  - task environment
  - work environment
  - general environment
  - 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.
- customer, task
  - customer, general
  - competitor, task
  - supplier, task
  - economic, task

Answer: a                      Level: 2                      Page: 57                      Type: APP                      **Posttest**

- \*27. Applebee's, T.G.I. Friday's, and Outback Steakhouse were locked in a titanic power struggle to dominate the restaurant industry. They can be described as:
- suppliers
  - competitors
  - customers
  - labor market operators
  - co-conspirators

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

28. Traditionally, many manufacturer and \_\_\_\_\_ relationships have been adversarial. Recently, companies are finding that cooperation is the key to saving money, maintaining quality, and speeding products to market.
- government
  - employee
  - supplier
  - special interest groups
  - customer

Answer: c                      Level: 1                      Page: 58                      Type: COMP

29. The \_\_\_\_\_ represents people in the environment who can be hired to work for the organization.
- competitors
  - labor market
  - suppliers
  - customers
  - government

Answer: b                      Level: 1                      Page: 58                      Type: DEF  
AACSB Testing Guideline: Environmental and social influences

- \*30. 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. One company that has recently moved to China is Japan's leading producer of paper. The \_\_\_\_\_ dimension of the external environment is involved in the Japanese company's relocation.
- sociocultural
  - competitors
  - technological
  - labor market
  - legal-political

Answer: d            Level: 2            Page: 58            Type: APP  
AACSB Testing Guideline: Environmental influences

31. The labor market represents people in the environment who can work for the organization. Two labor market factors having an impact on organizations now are:
- necessity for continuous investment through education and the effects of international trading blocs, automation, and shifting plant locations that create unused labor pools
  - the shifts in the labor pools from the East Coast to the Sunbelt
  - the shifts in the weather patterns in the Pacific Northwest and the amount of rain on the Mississippi River delta
  - changes in the work ethic and the growing number of out-of-work people
  - the role that U.S. electronic businesses will play in the future of the global market

Answer: a            Level: 3            Page: 58            Type: COMP  
AACSB Testing Guideline: Environmental influences

- \*32. \_\_\_\_\_ provide the raw materials needed for output production.
- Competitors
  - Customers
  - Developing nations
  - Suppliers
  - Retailers

Answer: d            Level: 2            Page: 58            Type: DEF



37. Symbols, stories, and heroes are important because they:
- entertain executive level management
  - address the concerns of government
  - acquaint customers to the organization
  - communicate the significant values of an organization
  - 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?
- All department heads have an executive office.
  - Each department has an award plaque for employee of the month.
  - All employees are dressed in professional business attire.
  - Top level executives drive company owned sports car.
  - 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:
- an object, act, or event that conveys meaning to others
  - manner of dress, stories, physical symbols, organizational ceremonies, and office layout
  - an association made of organizations with similar interests for the purpose of influencing the environment
  - roles assumed by people and or departments that link and coordinate the organization with key elements of the external environment
  - 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:
- entertain executive level management
  - address the concerns of government
  - acquaint customers to the organization
  - communicate the significant values of an organization
  - 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

Answer: a                      Level: 1                      Page: 64                      Type: DEF

- \*42. When Fordham Middle School gives an award each school month to one student who has involved himself or herself in some worthy cause, it is an example of a:
- a. story
  - b. hero
  - c. symbol
  - d. ceremony
  - e. slogan

Answer: c                      Level: 1                      Page: 64                      Type: APP

43. Which of these is a narrative based on true events that is repeated frequently and shared by organizational employees?
- a. symbol
  - b. slogan
  - c. story
  - d. hero
  - e. culture

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

- \*44. Heroes are important to an organization due to the fact that they:
- a. exemplify key values of the organization
  - b. exemplify a strong corporate culture
  - c. serve as examples to other employees
  - d. perform deeds that are out of the ordinary but still doable by other employees
  - e. do all of the these

Answer: e                      Level: 2                      Page: 66                      Type: COMP                      **Posttest**





- \*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 story
  - a symbol
  - a ceremonious statement
  - a corporate motto

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

- \*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
  - the last day of a laid-off employee
  - an annual sales meeting
  - the introduction of a new generation of a computer

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

- \*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
  - reinforcement
  - symbols
  - slogans
  - none of these

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

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

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

53. All of the following are types of corporate cultures EXCEPT:
- a. adaptability culture
  - b. involvement culture
  - c. consistency culture
  - d. democratic culture
  - e. achievement culture

Answer: d                      Level: 2                      Page: 68                      Type: DEF

54. The adaptability culture emerges in an environment that requires \_\_\_\_\_ response and \_\_\_\_\_ decision making.
- a. fast; high-risk
  - b. fast; low-risk
  - c. slow; high-risk
  - d. slow; low-risk
  - e. regulated; low-risk

Answer: a                      Level: 3                      Page: 68                      Type: DEF

- \*55. The \_\_\_\_\_ is suited to organizations that are concerned with servicing specific customers in the external environment but without the intense need for flexibility and rapid change.
- a. adaptability culture
  - b. clan culture
  - c. achievement culture
  - d. consistency culture
  - e. participative culture

Answer: c                      Level: 2                      Page: 69                      Type: DEF  
AACSB Testing Guideline: Environmental influences

56. The involvement culture has a(n) \_\_\_\_\_ focus on the involvement and participation of employees to rapidly meet changing needs from the environment.
- a. external
  - b. internal
  - c. structural
  - d. competitive
  - e. technological

Answer: b                      Level: 1                      Page: 69                      Type: DEF                      **Pretest**

57. The consistency culture has a(n) \_\_\_\_\_ focus and an orientation for a \_\_\_\_\_ environment.
- external; stable
  - external; dynamic
  - internal; stable
  - internal; dynamic
  - structural; dynamic

Answer: c                      Level: 3                      Page: 70                      Type: DEF                      **Posttest**

- \*58. Which of these statements about culture is FALSE?
- Culture serves as a compass for employee behavior.
  - Culture enables dispersed employees to work in concert toward shared goals that meet changing needs from the environment.
  - Culture serves as the glue that gives people a sense of belonging.
  - Having a culture directly translates into higher profitability.
  - Cultural values can energize and motivate employees.

Answer: d                      Level: 2                      Page: 71                      Type: COMP

- \*59. The corporate culture:
- is exactly the same for all companies within an industry
  - is the same regardless of the organization's environment
  - holds the people of an organization together
  - is only important to the top levels of management
  - is accurately described by none of these

Answer: c                      Level: 3                      Page: 71                      Type: COMP  
AACSB Testing Guideline: Group dynamics

- \*60. A cultural leader:
- is the figurehead of the organization.
  - uses symbols and signals to influence corporate culture.
  - serves as a reference for the rest of the organization.
  - creates moral structure for the organization.
  - monitors sociocultural trends

Answer: b                      Level: 2                      Page: 73                      Type: DEF  
AACSB Testing Guideline: Individual dynamics















4. List the five dimensions of the general environment.

Answer: Technological, sociocultural, economic, legal/political, and international.

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.

Level: 2      Page: 60      Type: DEF

\*16. Define culture.

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

Level: 1      Page: 62      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

Level: 1      Page: 69      Type: DEF

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

Answer: involvement

Level: 1      Page: 69      Type: DEF

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

Answer: consistency

Level: 1      Page: 70      Type: DEF

- \*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      Page: 60      Type: COMP

- \*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