

Chapter 03 Organization: Structure and Culture **Answer Key**

Multiple Choice Questions

1. Organizational culture is best explained as organizational

- A. Personality
- B. Hierarchy
- C. Reporting relationships
- D. Background
- E. Management style

A simple explanation of organizational culture is that it reflects the "personality" of an organization.

AACSB: Reflective Thinking

Bloom's: Knowledge

Learning Objective: Project Management Structure

Level: Easy

2. A good project management system provides for defining the interface between the project team and the organization in all the following areas except

- A. Authority
- B. Allocation of resources
- C. Development of project team members
- D. Integration of the project into the organization
- E. All of these are provided

A project management system provides a framework for launching and implementing project activities within a parent organization. A good system appropriately balances the needs of both the parent organization and the project by defining the interface between the project and parent organization in terms of authority, allocation of resources, and eventual integration of project outcomes into mainstream operations.

AACSB: Analytic

Bloom's: Comprehension

Learning Objective: Project Management Structure

Level: Medium

3. Organizations have difficulty in creating a system for managing projects because
- A. Contrary to typical operations, projects are one-time efforts
 - B. Projects are multidisciplinary while organizations are usually departmentalized by discipline
 - C. Projects are not focused on profits
 - D. Both a and b are correct**
 - E. A, B, and C are all correct

Many business organizations have struggled with creating a system for organizing projects while managing ongoing operations.

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: Project Management Structure
Level: Difficult

4. The structure that manages projects within the existing organizational structure is _____ organization.

- A. Functional**
- B. Balanced matrix
- C. Weak matrix
- D. Strong matrix
- E. Project

One approach to organizing projects is to simply manage them within the existing functional hierarchy of the organization. Once management decides to implement a project, the different segments of the project are delegated to the respective functional units with each unit responsible for completing its segment of the project.

AACSB: Reflective Thinking
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Easy

5. Bill is working on a project involving the upgrading of a management information system. The project is being managed by the information systems department with coordination with other departments occurring through normal channels. He is working in a _____ organization.

- A. Functional
- B. Balanced matrix
- C. Weak matrix
- D. Strong matrix
- E. Project

Once management decides to implement a project, the different segments of the project are delegated to the respective functional units with each unit responsible for completing its segment of the project.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

6. Which of the following is an advantage of a functional project management organization?

- A. Maximum flexibility in the use of staff
- B. Good integration across functional units
- C. Shorter project duration
- D. Strong motivation of project team members
- E. All of these are advantages

There is maximum flexibility in the use of staff. Appropriate specialists in different functional units can temporarily be assigned to work on the project and then return to their normal work.

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: Project Management Structure
Level: Difficult

7. Which of the following is a disadvantage of functional project management organization?

- A. Lack of motivation of project team members
- B. Longer project duration
- C. Lack of focus on the project
- D. Both b and c are correct
- E.** A, B, and C are all correct

See list on pages 68-69.

AACSB: Analytic

Bloom's: Synthesis

Learning Objective: Project Management Structure

Level: Difficult

8. Kim is reviewing a proposed project. The scope of the project is narrow with a lot of in-depth expertise required and it will take a short period of time to complete. The best choice for organizing the project is _____ organization.

- A.** Functional
- B. Balanced matrix
- C. Weak matrix
- D. Strong matrix
- E. Project

Top management decides to implement the project, and different segments of the project are distributed to appropriate areas.

AACSB: Analytic

Bloom's: Comprehension

Learning Objective: Project Management Structure

Level: Medium

9. A project team that operates with a full-time project manager as a separate unit from the rest of the organization is structured as a _____ organization.

- A. Functional
- B. Balanced matrix
- C. Weak matrix
- D. Strong matrix
- E. Projectized**

Instead of one or two special projects, the organization consists of sets of quasi-independent teams working on specific projects. The main responsibility of traditional functional departments is to assist and support these project teams. This type of organization is referred to in the literature as a Projectized Organization.

AACSB: Reflective Thinking

Bloom's: Knowledge

Learning Objective: Project Management Structure

Level: Easy

10. Which of the following combinations represents the extremes of project organization?

- A. Strong matrix and balanced matrix organizations
- B. Functional and dedicated project teams**
- C. Project and balanced matrix organizations
- D. Project and strong matrix organizations
- E. Strong matrix and functional organizations

The functional organization is also commonly used when, given the nature of the project, one functional area plays a dominant role in completing the project or has a dominant interest in the success of the project. At the other end of the structural spectrum is the creation of dedicated project teams. These teams operate as separate units from the rest of the parent organization.

AACSB: Analytic

Bloom's: Knowledge

Learning Objective: Project Management Structure

Level: Medium

11. MegaComputers, Inc. has assigned a project manager for each of the five new-product teams. The managers as well as the project team members work on the projects on a full-time basis. The structure being used is _____ organization.

- A. Functional
- B. Balanced matrix
- C. Weak matrix
- D. Strong matrix
- E. Project**

Instead of one or two special projects, the organization consists of sets of quasi-independent teams working on specific projects.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

12. Which of the following structures is referred to in popular literature as a *projectized* form of organizations?

- A. Functional organization
- B. Balanced matrix organization
- C. Weak matrix organization
- D. Strong matrix organization
- E. Projectized organization**

In the case of firms where projects are the dominant form of business, such as a construction firm or a consulting firm, the entire organization is designed to support project teams. Instead of one or two special projects, the organization consists of sets of quasi-independent teams working on specific projects. The main responsibility of traditional functional departments is to assist and support these project teams.

AACSB: Analytic
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Medium

13. Elizabeth is considering how to structure a project team that will not directly disrupt ongoing operations. The project needs to be done quickly and a high level of motivation will be needed in order to do that. For this situation, the _____ organization would be the best choice.

- A. Functional
- B. Balanced matrix
- C. Weak matrix
- D. Strong matrix
- E. Project**

In many cases, the project team approach is the optimum approach for completing a project when you view it solely from the standpoint of what is best for completing the project.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

14. *Projectitis* is most likely to occur in the _____ organization structure.

- A. Functional
- B. Balanced matrix
- C. Weak matrix
- D. Strong matrix
- E. Project**

Sometimes dedicated project teams take on an entity of their own and a disease known as projectitis develops. See Snapshot from Practice: Projectitis—The Dark Side. A strong we-they divisiveness emerges between the project team and the parent organization.

AACSB: Analytic
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Medium

15. Computers R Us is concerned about keeping project costs low and wants to be sure that all pools of expertise are used. Additionally they want to minimize duplication of efforts across projects. Their best choice for project management structure is the _____ organization structure.

- A. Functional
- B. Balanced matrix
- C. Weak matrix
- D. Strong matrix
- E. Project**

Specialists from different areas work closely together and, with proper guidance, become committed to optimizing the project, not their respective areas of expertise.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

16. _____ organization is a hybrid form in which a horizontal project management structure is overlaid in the normal functional hierarchy.

- A. Functional
- B. Matrix**
- C. Project
- D. Balanced
- E. A, B, and C are all correct

Matrix management is a hybrid organizational form in which a horizontal project management structure is "overlaid" on the normal functional hierarchy.

AACSB: Analytic
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Medium

17. A project management system provides a framework for launching and implementing project activities within a _____ organization.

- A. Matrix
- B. Balanced
- C. Weak
- D. Sponsor
- E. Parent**

A project management system provides a framework for launching and implementing project activities within a parent organization.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

18. In which of the following is the balance of authority strongly in favor of the functional managers?

- A. Weak matrix**
- B. Balanced matrix
- C. Strong matrix
- D. Strong
- E. Both C and D are correct

This form attempts to create the "feel" of a project team within a matrix environment. The project manager controls most aspects of the project, including scope trade-offs and assignment of functional personnel. The project manager controls when and what specialists do and has final say on major project decisions. The functional manager has title over her people and is consulted on a need basis. In some situations a functional manager's department may serve as a "subcontractor" for the project, in which case they have more control over specialized work.

AACSB: Reflective Thinking
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Easy

19. The project manager has the responsibility to answer which of the following questions?

- A. What task has to be done?
- B. Who will do the task?
- C. How will the task be done?
- D. How well has the functional input been integrated?
- E. Why will the task be done?

See table 3.1 on page 73.

AACSB: Analytic

Bloom's: Comprehension

Learning Objective: Project Management Structure

Level: Medium

20. Matrix management violates the management principle of

- A. Span of control
- B. Unity of command
- C. Parity principle
- D. Empowerment
- E. All of these management principles

Matrix management violates the management principle of unity of command. Project participants have at least two bosses—their functional head and one or more project managers.

AACSB: Analytic

Bloom's: Knowledge

Learning Objective: Project Management Structure

Level: Medium

21. All are negotiated issues except:
- A. Who will do the task?
 - B. Where will the task be done?
 - C. Why will the task be done?
 - D. Is the task satisfactorily completed?
 - E. The total cost of the project

See table 3.1 on page 73.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Easy

22. The project structure that is ranked as least effective is _____ organization.
- A. Functional
 - B. Balanced matrix
 - C. Weak matrix
 - D. Strong matrix
 - E. Project

The functional organization is also commonly used when, given the nature of the project, one functional area plays a dominant role in completing the project or has a dominant interest in the success of the project. Under these circumstances, a high-ranking manager in that area is given the responsibility of coordinating the project. For example, the transfer of equipment and personnel to a new office would be managed by a top-ranking manager in the firm's facilities department. Likewise, a project involving the upgrading of the management information system would be managed by the information systems department. In both cases, most of the project work would be done within the specified department and coordination with other departments would occur through normal channels.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

23. The project structure that is ranked as most effective for developing new products is _____ organization.

- A. Functional
- B. Balanced matrix
- C. Weak matrix
- D. Strong matrix
- E. Project**

Instead of one or two special projects, the organization consists of sets of quasi-independent teams working on specific projects. The main responsibility of traditional functional departments is to assist and support these project teams. For example, the marketing department is directed at generating new business that will lead to more projects, while the human resource department is responsible for managing a variety of personnel issues as well as recruiting and training new employees.

*AACSB: Analytic
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Medium*

24. From the list below, which is not a primary characteristic of organization culture?

- A. Control
- B. Team emphasis
- C. History**
- D. Conflict tolerance
- E. Risk tolerance

Organizational culture refers to a system of shared norms, beliefs, values, and assumptions which binds people together, thereby creating shared meanings.

*AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Organizational Culture
Level: Medium*

25. Factors in identifying cultural characteristics include all the following except

- A. Norms.
- B. Customs.
- C. Values.
- D. Both B and C are correct.
- E. A, B, and C are all correct.**

Organizational culture refers to a system of shared norms, beliefs, values, and assumptions which binds people together, thereby creating shared meanings. This system is manifested by customs and habits that exemplify the values and beliefs of the organization.

AACSB: Analytic
Bloom's: Knowledge
Learning Objective: Organizational Culture
Level: Medium

26. Who is responsible for determining how tasks will be done in a matrix project management structure?

- A. The functional manager**
- B. The project manager
- C. Both are responsible
- D. This is no pattern of who takes responsibility
- E. None of these are true

Matrix management is a hybrid organizational form in which a horizontal project management structure is "overlaid" on the normal functional hierarchy. In a matrix system, there are usually two chains of command, one along functional lines and the other along project lines. Instead of delegating segments of a project to different units or creating an autonomous team, project participants report simultaneously to both functional and project managers.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Easy

27. Who is responsible for determining what tasks have to be done in a matrix project management structure?

- A. The functional manager
- B. The project manager**
- C. Both are responsible
- D. This is no pattern of who takes responsibility
- E. None of these are true

The project manager controls most aspects of the project, including scope trade-offs and assignment of functional personnel. The project manager controls when and what specialists do and has final say on major project decisions.

AACSB: Reflective Thinking
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Easy

28. The Macintosh development team at Apple is a good example of what kind of project structure?

- A. Project**
- B. Balanced Matrix
- C. Project Matrix
- D. Functional Matrix
- E. Functional

See Snapshot on Page 71: Projectitis. A we-they attitude can emerge between project team members and the rest of the organization. The project team succumbs to hubris and develops a holier than- thou attitude that antagonizes the parent organization. People not assigned to the project become jealous of the attention and prestige being showered on the project team, especially when they believe that it is their hard work that is financing the endeavor.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Easy

29. The Organizational Culture Diagnosis Worksheet classifies cultural characteristics into all of the following except:

- A. Physical characteristics
- B. Public documents
- C. Behavior
- D. Folklore
- E.** Ethics

See page 82 Figure 3.6 Organizational Culture Diagnosis Worksheet.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Organizational Culture
Level: Medium

30. Which of the following cultural characteristics relates to the degree to which employees identify with the organization as a whole rather than with their type of job or field of professional expertise?

- A.** Member identity
- B. Team emphasis
- C. Managerial focus
- D. Unit integration
- E. Control

Member identity is the degree to which employees identify with the organization as a whole rather than with their type of job or field of professional expertise.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Organizational Culture
Level: Easy

31. Which of the following cultural characteristics relates to the degree to which work activities are organized around groups rather than individuals?

- A. Member identity
- B. Team emphasis**
- C. Managerial focus
- D. Unit integration
- E. Control

Team emphasis is the degree to which work activities are organized around groups rather than individuals.

AACSB: Reflective Thinking
Bloom's: Knowledge
Learning Objective: Organizational Culture
Level: Easy

32. Which of the following is not one of the typical forms of a project management office?

- A. Command center**
- B. Control tower
- C. Resource pool
- D. Weather station
- E. All of these are typical forms of a project management office

See Snapshot from Practice on page 78.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: What Is the Right Project Management Structure?
Level: Easy

33. Which of the following cultural characteristics relates to the degree to which groups within the organization are encouraged to operate in a coordinated or independent manner?

- A. Member identity
- B. Team emphasis
- C. Managerial focus
- D. Unit integration**
- E. Control

Unit integration is the degree to which units within the organization are encouraged to operate in a coordinated or interdependent manner.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Organizational Culture
Level: Easy

34. Which of the following cultural characteristics relates to the degree to which management focuses on outcomes rather than on techniques and processes used to achieve those results?

- A. Risk tolerance
- B. Reward criteria
- C. Conflict tolerance
- D. Means versus end orientation**
- E. Open-systems focus

Means versus end orientation is the degree to which management focuses on outcomes rather than on techniques and processes used to achieve those results.

AACSB: Reflective Thinking
Bloom's: Knowledge
Learning Objective: Organizational Culture
Level: Easy

Fill in the Blank Questions

35. A simple explanation of _____ is that it reflects the personality of an organization.
organizational culture

Organizational culture refers to a system of shared norms, beliefs, values, and assumptions which binds people together, thereby creating shared meanings.

AACSB: Reflective Thinking
Bloom's: Knowledge
Learning Objective: Organizational Culture
Level: Easy

36. The _____ organizational approach to project management uses the existing hierarchy of the organization to manage projects.
functional

One approach to organizing projects is to simply manage them within the existing functional hierarchy of the organization. Once management decides to implement a project, the different segments of the project are delegated to the respective functional units with each unit responsible for completing its segment of the project.

AACSB: Reflective Thinking
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Easy

37. One of the major advantages of the _____ organizational approach to project management is that specialists in different departments can temporarily be assigned to work on the project and then return to their normal work.
functional

Once management decides to implement a project, the different segments of the project are delegated to the respective functional units with each unit responsible for completing its segment of the project.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

38. Two of the major disadvantages of the _____ organizational approach to project management are that projects may lack focus and it can take longer to complete projects.

functional

These disadvantages are particularly pronounced when the scope of the project is broad and one functional department does not take the dominant technological and managerial lead on the project.

*AACSB: Analytic
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Medium*

39. At Apple Computer, the Macintosh development team was isolated in a separate building and given the prime directive to develop a breakthrough computer as quickly as possible. This is an example of using the _____ organizational approach to project management.

project

The project manager recruits necessary personnel from both within and outside the parent company. The subsequent team is physically separated from the parent organization and given marching orders to complete the project.

*AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium*

40. A high level of motivation and the tendency for projects to get done more quickly are benefits of using the _____ organizational approach to project management.

project

A high level of motivation and cohesiveness often emerges within the project team. Participants share a common goal and personal responsibility toward the project and the team.

*AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium*

41. _____, a strong feeling of we-they divisiveness, can undermine the integration of the eventual outcomes of the project into mainstream operations.

Projectitis

Sometimes dedicated project teams take on an entity of their own and a disease known as projectitis develops. See Snapshot from Practice: Projectitis—The Dark Side. A strong we-they divisiveness emerges between the project team and the parent organization.

AACSB: Reflective Thinking
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Easy

42. In a _____ system, there are usually two chains of command, one along functional lines and the other along project lines.

matrix

Matrix management is a hybrid organizational form in which a horizontal project management structure is "overlaid" on the normal functional hierarchy.

AACSB: Reflective Thinking
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Easy

43. The _____ structure is designed to optimally utilize resources by having individuals work on multiple projects as well as being capable of performing normal functional duties.

matrix

Instead of delegating segments of a project to different units or creating an autonomous team, project participants report simultaneously to both functional and project managers.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Implications of Organizational Culture for Organizing Projects
Level: Medium

44. Strong, heavyweight, or _____ is used to describe a matrix in which the balance of authority is strongly on the side of the project manager.

project matrix

When the dominant organization culture inhibits collaboration and innovation, it is advisable to insulate the project team from the dominant culture. Here it becomes necessary to create a self-sufficient project team. If a dedicated project team is impossible because of resource constraints, then at least a project matrix should be used where the project manager has dominant control over the project. In both cases, the managerial strategy is to create a distinct team subculture where a new set of norms, customs, and values evolve that will be conducive to project completion.

*AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium*

45. One key factor that determines the relative importance of project and functional managers is the determination of which and how _____ are to be performed.

tasks or activities

See table 3.1 on page 73.

*AACSB: Analytic
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Medium*

46. Matrix management violates the management principle of _____.

unity of command

Matrix management violates the management principle of unity of command. Project participants have at least two bosses—their functional head and one or more project managers.

*AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium*

47. The _____ matrix form of project organization is likely to enhance project integration, diminish internal power struggles, and ultimately improve control of project activities and costs.

strong

The project manager controls when and what specialists do and has final say on major project decisions.

*AACSB: Analytic
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Medium*

48. The _____ matrix form of project organization is likely to improve technical quality as well as provide a better system for managing conflict across projects because the functional manager assigns personnel to different projects.

weak

The project manager basically acts as a staff assistant who draws the schedules and checklists, collects information on status of work, and facilitates project completion.

*AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium*

49. The _____ matrix form of project organization can achieve better equilibrium between technical and project requirements, but it is a very delicate system to create and manage.

balanced

This is the classic matrix in which the project manager is responsible for defining what needs to be accomplished while the functional managers are concerned with how it will be accomplished. More specifically, the project manager establishes the overall plan for completing the project, integrates the contribution of the different disciplines, sets schedules, and monitors progress.

*AACSB: Analytic
Bloom's: Knowledge
Learning Objective: Project Management Structure
Level: Medium*

50. _____ were originally developed as a response to the poor track record many companies had in completing projects on time, within budget, and according to plan.

Project offices

See Page 78 Snapshot from Practice.

AACSB: Analytic

Bloom's: Comprehension

Learning Objective: What Is the Right Project Management Structure?

Level: Medium

51. As more and more companies embrace project management as a critical vehicle for realizing corporate objectives, they are creating centralized _____ to oversee and improve the management of projects.

project offices (POs)

See Page 78 Snapshot from Practice.

AACSB: Analytic

Bloom's: Comprehension

Learning Objective: What Is the Right Project Management Structure?

Level: Medium

52. Research suggests that there is a strong connection between project management structure, organization _____, and project success.

culture

Culture reflects the personality of the organization and, similar to an individual's personality, can enable us to predict attitudes and behaviors of organizational members.

AACSB: Analytic

Bloom's: Comprehension

Learning Objective: Organizational Culture

Level: Medium

53. Organization _____ refers to a system of shared norms, beliefs, values, and assumptions which bind people together, thereby creating shared meanings.

culture

Organizational culture refers to a system of shared norms, beliefs, values, and assumptions which binds people together, thereby creating shared meanings.

*AACSB: Analytic
Bloom's: Knowledge
Learning Objective: Organizational Culture
Level: Medium*

54. In a Snapshot from Practice, at _____ Corporation, employees put in the hours necessary to get a job done, even if it requires staying up all night; however, they also may stay home to tend to a sick child and do makeup work at some other time.

Microsoft

See Page 81 Snapshot from Practice.

*AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Organizational Culture
Level: Medium*

55. In a _____ PO structure, the primary function of the PMO is to track and monitor project performance.

weather station

The primary function of the weather station PO is to track and monitor project performance. It is typically created to satisfy top management's need to stay on top of the portfolio of projects under way in the firm.

*AACSB: Analytic
Bloom's: Comprehension
Learning Objective: What Is the Right Project Management Structure?
Level: Medium*

56. In a _____ PO structure, the primary function of the PMO is to provide the organization with a cadre of trained project managers and professionals.

resource pool

The goal of the resource pool PO is to provide the organization with a cadre of trained project managers and professionals. It operates like an academy for continually upgrading the skills of a firm's project professionals.

AACSB: Analytic

Bloom's: Knowledge

Learning Objective: What Is the Right Project Management Structure?

Level: Medium

57. In a _____ PO structure, the primary function of the PMO is to improve project execution.

control tower

The primary function of the control tower PO is to improve project execution. It considers project management as a profession to be protected and advanced.

AACSB: Analytic

Bloom's: Knowledge

Learning Objective: What Is the Right Project Management Structure?

Level: Medium

58. _____ refers to the degree to which the organization monitors and responds to changes in the external environment.

Open-systems focus

Open-systems focus is the degree to which the organization monitors and responds to changes in the external environment.

AACSB: Analytic

Bloom's: Comprehension

Learning Objective: What Is the Right Project Management Structure?

Level: Medium

59. _____ refers to the degree to which employees are encouraged to be aggressive, innovative, and risk seeking.

Risk tolerance

Risk tolerance is the degree to which employees are encouraged to be aggressive, innovative, and risk seeking.

*AACSB: Analytic
Bloom's: Comprehension
Learning Objective: What Is the Right Project Management Structure?
Level: Medium*

True / False Questions

60. While organization culture is important to the overall function of an organization, it has minor influence on its project management.

FALSE

Culture reflects the personality of the organization and, similar to an individual's personality, can enable us to predict attitudes and behaviors of organizational members.

*AACSB: Reflective Thinking
Bloom's: Knowledge
Learning Objective: Organizational Culture
Level: Easy*

61. Many organizations have struggled with project management organization because projects contradict fundamental design principals associated with traditional organizations.

TRUE

Many business organizations have struggled with creating a system for organizing projects while managing ongoing operations. One of the major reasons for this struggle is that projects contradict fundamental design principles associated with traditional organizations.

*AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium*

62. The project form of project management structure is commonly used when one functional area plays a dominant role in completing the project or has a dominant interest in the success of the project.

FALSE

The functional organization is also commonly used when, given the nature of the project, one functional area plays a dominant role in completing the project or has a dominant interest in the success of the project.

AACSB: Reflective Thinking

Bloom's: Comprehension

Learning Objective: Project Management Structure

Level: Medium

63. The matrix form of project management structure is a good choice when the scope of the project is narrow and maximum flexibility in staff usage is important.

FALSE

If the scope of the project is narrow and the proper functional unit is assigned primary responsibility, then in-depth expertise can be brought to bear on the most crucial aspects of the project.

AACSB: Reflective Thinking

Bloom's: Comprehension

Learning Objective: Project Management Structure

Level: Medium

64. A disadvantage of using the functional form of project management structure is that projects generally take longer to complete.

TRUE

It generally takes longer to complete projects through this functional arrangement. This is in part attributable to slow response time—project information and decisions have to be circulated through normal management channels.

AACSB: Reflective Thinking

Bloom's: Comprehension

Learning Objective: Project Management Structure

Level: Medium

65. The functional project team is usually physically separated from the parent organization and given the primary directive of accomplishing the objectives of the project.

FALSE

Dedicated project teams are teams which operate as separate units from the rest of the parent organization. Usually a full-time project manager is designated to pull together a core group of specialists who work full time on the project.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Easy

66. In the projectized form of company organization the main responsibility of traditional functional departments is to assist and support the project teams.

TRUE

The main responsibility of traditional functional departments is to assist and support these project teams. For example, the marketing department is directed at generating new business that will lead to more projects, while the human resource department is responsible for managing a variety of personnel issues as well as recruiting and training new employees.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

67. The project form of project management structure is a good choice when speed of completion of the project without directly disrupting ongoing operations is important.

TRUE

Projects tend to get done more quickly when participants devote their full attention to the project and are not distracted by other obligations and duties.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

68. One of the major disadvantages of the project form of project management structure is that it tends to be more expensive than other forms of organizing.

TRUE

It is Expensive. Not only have you created a new management position (project manager), but resources are also assigned on a full-time basis. This can result in duplication of efforts across projects and a loss of economies of scale.

*AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Easy*

69. Creating teams using the project form of project management structure results in the maximum technological expertise being brought to bear on project problems.

FALSE

Creating self-contained teams inhibits maximum technological expertise being brought to bear on problems. Technical expertise is limited somewhat to the talents and experience of the specialists assigned to the project.

*AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium*

70. Matrix management is a hybrid organizational form in which a horizontal project management structure is "overlaid" on the normal functional hierarchy.

TRUE

Matrix management is a hybrid organizational form in which a horizontal project management structure is "overlaid" on the normal functional hierarchy.

*AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Easy*

71. "Silver bullets" and "Tiger Teams" are terms that are frequently given to functional project management teams.

FALSE

The tendency to assign project teams exotic titles such as "Silver Bullets" and "Tiger Teams," as well as give them special perks, tends to intensify the gap between the project team and the parent organization.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

72. The relationship between the Apple II and Mac teams at Apple Computer is a good example of *projectitis*.

TRUE

A we-they attitude emerged between Mac project team members and the Apple II members.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

73. In a matrix form of project management, the project managers report directly to a Director of projects, who supervises all projects.

TRUE

Instead of delegating segments of a project to different units or creating an autonomous team, project participants report simultaneously to both functional and project managers.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

74. The three forms of matrix project management are weak, mixed, and strong.

FALSE

The three forms are week, balanced and strong.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Easy

75. Whether a matrix is weak or strong is determined by the extent to which the project manager has direct authority over project participants.

TRUE

In practice there are really different kinds of matrix systems, depending on the relative authority of the project and functional managers.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

76. In a balanced matrix form of project management, the project manager is responsible for defining *what* needs to be accomplished while the functional managers are concerned with *how* it will be accomplished.

TRUE

The merger of "what and how" requires both parties to work closely together and jointly approve technical and operational decisions.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

77. The matrix form of project management is predicated on tension between functional managers and project managers who bring critical expertise and perspectives to the project.

TRUE

The matrix approach is predicated on tension between functional managers and project managers who bring critical expertise and perspectives to the project. Such tension is viewed as a necessary mechanism for achieving an appropriate balance between complex technical issues and unique project requirements.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

78. Project management offices were originally developed to make optimal use of scarce project resources.

FALSE

Many organizations have created Project Management Offices to support project management efforts.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Medium

79. The functional form of project management has been rated as the most effective of the various forms of organizing project teams.

FALSE

When thinking only in terms of what is best for the project, the creation of an independent project team is clearly favored.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Easy

80. Organizational culture refers to a system of shared norms, beliefs, values, and assumptions which bind people together.

TRUE

Organizational culture refers to a system of shared norms, beliefs, values, and assumptions which binds people together, thereby creating shared meanings. This system is manifested by customs and habits that exemplify the values and beliefs of the organization.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Organizational Culture
Level: Easy

81. Probably the most important function of organization culture is to clarify and reinforce standards of behavior within the organization.

TRUE

Organizational culture clarifies and reinforces standards of behavior. Culture helps define what is permissible and inappropriate behavior.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Organizational Culture
Level: Easy

82. There is a strong connection between project management structure, organizational culture, and project success.

TRUE

There are strong relationships among project management structure, organizational culture, and successful project management.

AACSB: Reflective Thinking
Bloom's: Comprehension
Learning Objective: Implications of Organizational Culture for Organizing Projects
Level: Easy

Short Answer Questions

83. "Projects are a smaller version of the larger organization and thus have similar fundamental design principles." Agree or Disagree and support your conclusion.

Disagree. See discussion in text.

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: Project Management Structure
Level: Difficult

84. Identify and briefly describe the three basic project management structures.

1. functional, 2. matrix, and 3. project

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: Project Management Structure
Level: Difficult

85. Identify and briefly describe at least two advantages and two disadvantages of having project teams report directly to an existing functional area.

See discussion in text.

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: Project Management Structure
Level: Difficult

86. Identify and briefly describe at least two advantages and two disadvantages of organizing project teams as dedicated teams.

See discussion in text.

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: What Is the Right Project Management Structure?
Level: Difficult

87. Identify and briefly describe at least two advantages and two disadvantages of organizing project teams using the matrix management approach.

See discussion in text.

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: Project Management Structure
Level: Difficult

88. Identify and briefly describe the three forms of organizing projects using the matrix management approach.

1. weak matrix, 2. balanced matrix, and 3. strong matrix. See text for discussion.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: Project Management Structure
Level: Difficult

89. What are Project Management Offices? Identify the three most common forms.

PMOs are used to help project teams meet their project objectives. The three most common forms are: weather station, control tower, and resource pool.

AACSB: Analytic
Bloom's: Comprehension
Learning Objective: What Is the Right Project Management Structure?
Level: Medium

90. Identify and briefly describe at least five of the ten primary characteristics of organization culture as discussed in the text.

See list in text.

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: Organizational Culture
Level: Difficult

91. Culture provides three major functions within today's organizations. Identify and briefly describe those three functions.

1. provides a sense of identity, 2. helps legitimize the management system, and 3. clarifies and reinforces standards of behavior.

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: Organizational Culture
Level: Difficult

92. The metaphor used to describe the relationship between organizational culture and project management was that of a riverboat trip. Briefly describe that metaphor.

Culture is the river, the boat is the project. Moving downstream (culture conducive to PM) requires much less effort. Moving upstream (toxic culture) requires much more time, effort, and attention.

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: Organizational Culture
Level: Medium

93. Briefly describe the task decision making responsibilities under the three project management matrix structures.

In a weak matrix structure, the functional manager makes all the decisions on what and how tasks are to be done. In a strong matrix structure, the project manager makes all the decisions on what and how tasks are to be done. In a balanced matrix they share responsibility with the project manager deciding what is to be done, while the functional manager decides how it is to be done.

AACSB: Analytic
Bloom's: Synthesis
Learning Objective: Project Management Structure
Level: Difficult

94. What is an Organizational Culture Diagnosis Worksheet and what is its purpose?

The worksheet is a tool to help decipher an organization's culture. It is composed of four parts, Physical Characteristics, Public Documents, Behavior, and Folklore.

AACSB: Analytic

Bloom's: Synthesis

Learning Objective: Organizational Culture

Level: Difficult