CHAPTER TEN
ORGANIZATIONAL CULTURE AND ETHICAL VALUES

MULTIPLE CHOICE

1. Organizational culture:
    a. is usually written.
    b. provides members with a sense of identity.
    c. generates commitment to improving market share.
    d. all of the above.
    ANSWER: b

2. Culture exists at two levels called:
    a. sub- and super-structure.
    b. people and structure.
    c. underlying values and visible artifacts.
    d. social and psychological.
    ANSWER: c

3. _____ means that members develop a collective identity and know how to work together effectively.
    a. External adaptation
    b. Socialization
    c. Internal integration
    d. Cultural identity
    ANSWER: c

4. Which of the following is (are) manifestation(s) of corporate culture?
    a. Legends
    b. Ceremonies
    c. Stories
    d. All of the above
    ANSWER: d

5. When a student finishes his studies at a college, he goes through a graduation ceremony with the idea of soon finding a new social role. This is an example of a rite of:
    a. passage.
    b. enhancement.
    c. renewal.
    d. integration.
    ANSWER: a

6. An example of the rite of integration in corporate culture is:
    a. Awards given to employee-of-the-month
    b. Unpaid three week orientation and training for prospective (new) employees
    c. Office Valentine party
    d. Organization development activities
    ANSWER: c

7. Stories in organization which are used to perpetuate culture are based on:
    a. anything that reeks of symbolism.
    b. nothing in fact, but on the ideals of the organization.
    c. true events.
    d. unsubstantiated rumors.
    ANSWER: c

8. Nordstrom's upside-down organization chart is an example of _____ being used to convey organizational culture to all employees.
    a. a story
    b. a myth
    c. a symbol
    d. language
    ANSWER: c

9. The relationship of environment and strategy to corporate culture is plotted in our text on a matrix that has the following two dimensions:
    a. (1) strategic focus: internal vs. external; (2) environment: flexible vs. stable
    b. (1) strategic focus: prospector vs. defender; (2) environment: simple vs. complex
    c. (1) human focus: flexible vs. stable; (2) task focus: internal vs. environmental
    d. (1) human focus: open vs. closed; (2) task focus: strategic vs. operative
    ANSWER: a

10. The _____ culture is characterized by strategic focus on the external environment through flexibility and change to meet customer needs.
    a. adaptability
    b. mission
    c. clan
    d. bureaucratic
    ANSWER: a

11. A leader who _____ would thrive in a clan culture.
    a. creates values for social responsibility
    b. embodies values
    c. integrates people into action and responsibility through participation
    d. can change culture
    ANSWER: c

12. The mission culture places major emphasis on:
   a. the external environment through flexibility and change to meet customer needs.
   b. a shared vision of organization purpose.
   c. the involvement and participation of the organization's members.
   d. the internal environment and a consistency orientation for a stable environment.
   ANSWER: b

13. The _____ culture has an internal focus and a consistency orientation for a stable environment.
   a. organic
   b. clan
   c. traditional
   d. bureaucratic
   ANSWER: d

14. Most managers are shifting away from bureaucratic cultures because of a need for:
   a. greater flexibility.
   b. better decision making techniques.
   c. easier communication channels.
   d. reducing employee participation.
   ANSWER: a

15. The degree of agreement among members of an organization about the importance of specific values is referred to as:
   a. adaptability.
   b. culture strength.
   c. internal integration.
   d. social responsibility.
   ANSWER: b

16. _____ develop to reflect the common problems, goals, and experiences that members of a team, department, or other unit share.
   a. Learning organization
   b. Ethical committees
   c. Subcultures
   d. Ethics hotlines
   ANSWER: c

17. It has been found that a learning organization has a strong organizational culture characterized by the following value(s):
   a. the whole is more important than the part, and boundaries between parts are minimized.
   b. external strategic focus with continual thoughts of what others are doing that's right.
   c. life-time employment for workers at every level (unless a work rule is violated).
   d. all of the above.

ANSWER: a

18.   When behavior is governed by a set of moral principles and values it is called:
       a.   the rule of law.
       b.   ethics.
       c.   a mission environment.
       d.   none of the above.
       ANSWER: b

19.   The _____ arises from a set of codified principles and regulations that describe how people are required to act, are generally accepted in society, and are enforceable in the courts.
       a.   code of ethics
       b.   rule of law
       c.   core values
       d.   managerial ethics
       ANSWER: b

20.   _____ are principles that guide the decisions and behaviors of managers with regard to whether they are right or wrong in a moral sense.
       a.   Managerial ethics
       b.   Social responsibility
       c.   Codes of ethics
       d.   Organization culture
       ANSWER: a

21.   A(n) _____ arises in a situation concerning right and wrong where values are in conflict.
       a.   culture problem
       b.   legal issue
       c.   social responsibility issue
       d.   ethical dilemma
       ANSWER: d

22.   The major forces that shape managerial ethics include all of the following *except:*
       a.   organizational culture.
       b.   external stakeholders.
       c.   peers.
       d.   organizational systems.
       ANSWER: c

23.   Which of the following influences personal ethics?
       a.   Individual beliefs and values
       b.   A person's ethical decision framework
       c.   Moral development
       d.   All of the above
       ANSWER: d

24.   The framework that argues that decisions should be made to promote fairness and equity is:
       a.   utilitarian theory.
       b.   personal liberty.
       c.   distributive justice.
       d.   eternal law.
       ANSWER: c

25.   Managerial ethics and social responsibility are influenced by a variety of _____, groups outside the organization that have a stake in the organization's performance.
       a.   external stakeholders
       b.   employees
       c.   competitors
       d.   whistle-blowers
       ANSWER: a

26.   A relationship between a leader and followers that is based on shared, strongly internalized values that are advocated and acted upon by the leader is referred to as:
       a.   mission culture.
       b.   values-based leadership.
       c.   clan culture.
       d.   servant leadership.
       ANSWER: b

27.   Formal structure and formal systems that can be used to shape ethical values include all *except:*
       a.   ethics committee.
       b.   repetition of words such as those ending Wal-Mart's cheer: "Who's No. 1? The Customer!"
       c.   whistle-blowing disclosure mechanism.
       d.   code of ethics.
       ANSWER: b

28.   A corporate code of ethics:
       a.   is an informal statement of the company's values.
       b.   is rare, but about 10% of Fortune 500 companies are beginning to develop a code.
       c.   addresses ethical values rather than specific behaviors.
       d.   is often part of a larger mission statement.
       ANSWER: d

29.   Ethical training programs may include:
       a.   ethical frameworks such as the utilitarian approach.
       b.   may include the stages of moral development.
       c.   give ethical dilemmas for discussion.
       d.   all of the above.
       ANSWER: d

TRUE / FALSE

1.   Internal integration, as it related to corporate culture, means that members develop a
      collective identity and know how to work together effectively.
      ANSWER: True

2.   Written rules and policies are an integral part of corporate culture.
      ANSWER: False

3.   External adaptation is the term for members developing a collective identity and knowing
      how to work together effectively.
      ANSWER: False

4.   In interpreting culture, one of the important observable aspects of the culture would be
      rites and ceremonies such as the rite of passage.
      ANSWER: True

5.   There are four types of rites: passage, enhancement, renewal, and integration.
      ANSWER: True

6.   Symbols are narratives based on true events that are frequently shared among
      organizational employees and told to new employees to inform them about an
      organization.
      ANSWER: False

7.   The adaptability culture encourages entrepreneurial values, norms, and beliefs that support
      the capacity of the organization to detect, interpret, and translate signals from the
      environment into new behavior responses.
      ANSWER: True

8.   In studies of culture and effectiveness, it has been found that two factors form the basis of the fit: (1) the extent to which the environment requires change or stability and (2) the extent to which the technology is analyzable or unanalyzable.
ANSWER: False

9.   In a mission culture, managers shape behavior by envisioning and communicating a desired future state for the organization.
ANSWER: True

10.   In a bureaucratic culture, an important value is taking care of employees and making sure they have whatever they need to help them be satisfied as well as productive.
ANSWER: False

11.   Most managers today are moving towards bureaucratic cultures because of a need for greater flexibility.
ANSWER: False

12.   Several subcultures may exist within large organizations, each differing from each other and from the culture as a whole.
ANSWER: True

13.   Culture strength refers to there being a low number of different subcultures within the culture as a whole.
ANSWER: False

14.   A strong organization culture is a primary characteristic of a learning organization.
ANSWER: True

15.   The culture encouraging risk taking, change, and improvement is a value of a learning organization with a strong adaptive culture.
ANSWER: True

16.   If the rule of law and ethical standards were drawn as a Venn Diagram, the two circles would overlap completely.
ANSWER: False

17.   All ethical standards are legal requirements.
ANSWER: False

18.   All legal requirements are ethical standards.
ANSWER: False

19. The personal liberty framework argues that decision should be made to ensure the greatest possible freedom of choice and liberty for individuals.
ANSWER: True

20. The three sources of ethical values in organizations are: worker ethics, managerial ethics, and social responsibility.
ANSWER: False

21. Companies that put ethics on the back burner in favor of fast growth and short-term profits succeed in the long-run.
ANSWER: False

22. Values-based leadership is best instituted throughout the management hierarchy via an authoritative directive.
ANSWER: False

23. Whistle-blowing is a disclosure mechanism.
ANSWER: True

24. Learning ethical frameworks helps managers to act autonomously and still think their way through a difficult decision.
ANSWER: True

ESSAY

1. Some organizations have dress codes that limit individual freedom in the workplace. Do such rules inhibit the establishment of corporate culture?

2. What are the important functions of corporate culture in an organization?

3. What kinds of leadership symbols are important in the creation of a positive corporate culture? Give specific examples.

4. Explain the differences between the various types of rites--enhancement, renewal, passage and integration.

5. What are the major differences between the adaptability culture and the mission culture? Which of these two would be most appropriate for a company in a high tech industry and why?

6. Take a position on the following statement: A bureaucratic culture is less employee-oriented than a clan culture. Defend your position.

7. Discuss culture strength and organizational subcultures.

8.	List and describe the three values incorporated into a strong adaptive culture.

9.	Discuss and draw a diagram of the relationship between ethical standards and legal requirements.

10.	How could a company that closes plants in areas that are economically depressed claim to be "socially responsible?" What ethical framework allows decision makers to close a plant in a depressed area when the company finds cheaper labor elsewhere?

11.	Give an example of an ethical dilemma that would perplex you as a manager if it were to occur in an organization where you work. What makes the situation you describe meet the definition of "ethical dilemma?"

12.	Explain why ethical behavior of companies is as much an issue of organization culture as it is an issue of personal ethics.

13.	How do external stakeholders influence ethical decision making in an organization?

14.	What is values-based leadership? Give an example.

15.	Discuss how organizations are managing and coordinating ethics activities.

16.	The president of a college once said in a guest lecture to a management class on his campus that, "The *only* important facet of leadership is symbolism." Although many people on his campus would disagree with his views on leadership because of mismanagement that occurred during his presidency, his claim about the importance of symbolism lives on. Explain his view in light of our text's discussion of values based leadership.

17.	Why should whistle-blowers be protected in an organization? In your opinion, where does protection of the whistle-blower fall in the relationship between legal requirements (or rule of law) and ethical standards?

18.	Assume that you have just been promoted to a plant manager's position in a city 500 miles from your previous position. As you become acquainted with the workers, supervisors, and procedures of the plant, you come to the conclusion that the values and attitudes of the workers and supervisors are the source of the low morale in the plant, as well as the apathetic attitude toward production. Quality inspections have shown that there are a large number of defects in the finished product. Explain the kinds of things you might do to change the organizational culture to one that will be more conducive to positive morale and higher production with better quality.

19.	Identify a specific organization that has a culture you know enough about to discuss. Then describe that organization's culture at both of its levels. In your answer, let it be clear what makes up each of the two levels.

20.   Explain how a strong corporate culture could be negative as well as positive for an organization.