

1. **The definition** of "organization" is:  
**C.** A social entity that is goal-directed, has a deliberately-structured activity system, and a permeable boundary.

2. **The key element** of an organization is it's  
**B.** people and their relationships.

3. **Financial resources** for nonprofit organizations usually come from all of the following *except*  
**A.** the sale of competitor's products or services.

4. **Non-profit** organization managers deal with many diverse shareholders and must market their services to all of the following *except*  
**B.** shareholders.

5. **The importance** of organizations includes all of the following concepts *except*:  
**B.** Establishing important relationships with the government

6. **Organizations exist** to do which of the following?  
**D.** Facilitate innovation

7. **Organizations create** a drive for \_\_\_\_\_ rather than reliance on standard products and outmoded ways of doing things.  
**C.** innovation

8. **An open system**:  
**B.** Exports resources to the environment.

9. **The organization** should be viewed as a system which is a set of interrelated elements that:  
Acquires inputs, transforms them, and discharges outputs.

10. **The surgery** department in a hospital would belong to which subsystem:  
**A.** Production

**Organizational subsystems** include which of the following:  
**A.** Boundary subsystems responsible for exchanges with the external environment.

12. **The technical** core refers to:  
**B.** The people who do the basic work of the organization, producing product and service outputs.

13. **Mintzberg's** five basic parts of an organization include all *except* which of the following:  
**D.** Computer infrastructure.

14. **An open system** and its **subsystem** are characterized by:  
**A.** A transformation process that involves production, maintenance, adaptation, and management

15. **Functions** such as human resources, organizational development, the employee cafeteria, and maintenance staff refer to which of the following five basic parts of an organization:  
**C.** Administrative support.

16. \_\_\_\_\_ is the **subsystem** responsible for directing and coordinating other parts of the organization.  
**B.** Management

17. **Contextual** dimensions:  
**D.** Include size and environment.

18. **Which** of the following **provides** labels to describe the internal characteristics of an organization?  
**D.** Structural dimensions

19. **The 385-page** book that McDonald's uses to describe all rules and procedure s in each of its stores best represents which of the following dimensions:  
**C.** Formalization.

20. **The degree** to which organizational tasks are subdivided into separate jobs is referred to as  
**B.** specialization.

21. \_\_\_\_\_ refer to the deployment of people to various functions and departments.  
**C.** Personnel ratios

22. **Which** of the following **concerns** how the organization actually produces the products and services it provides for customers and includes flexible manufacturing, advanced information systems, and the Internet?

**B.** Organizational technology

23. **Which** of the following is a **contextual**, rather than a structural dimension of an organization?  
**B.** Culture

24. **Compare** W.L. Gore Associates with Wal-Mart (In Practice activity). These two companies illustrate the concept that:  
**B.** Successful organizations can have very different strategies and goal emphases.

25. \_\_\_\_\_ is the **degree** to which an organization achieves its goals.  
**A.** Effectiveness

26. **Which** of the following **integrate** diverse organizational activities by looking at various organizational stakeholders and what they want from the organization?  
**D.** Stakeholder approach

27. **Scientific** management, **pioneered** by Frederick Taylor, claimed that decisions about organizations and job design should be based on:  
**A.** Precise, scientific procedures after careful study of individual situations.

28. **Scientific** management was:  
**D.** Successful at increasing output, in part through the use of incentive systems.

29. \_\_\_\_\_ **emphasized** designing and managing organization on an impersonal, rational basis through such elements as clearly defined authority and responsibility, formal record keeping, and uniform application of standard rules.  
**C.** Bureaucratic organizations

30. **Interpretations** of \_\_\_\_\_ concluded that positive treatment of employees improved their motivation and productivity.  
**D.** Hawthorne Studies

31. **Contingency** means that:  
**C.** One thing depends on other things, such as structure depending on environment.

32. **John Black**, a management consultant, successfully implemented and MBO program on his first consulting job. He now recommends MBO to all his clients. In so doing, our text would say the main point is that he is ignoring:  
**B.** The principles of contingency theory.

33. **The learning** organization:  
**A.** Places high value on problem solving.

34. **In today's world**, savvy managers recognize:  
**A.** They cannot measure, predict or control their environment.

35. **Which** of the following is **not** an **element** of organizational design?  
**C.** Technological advances

36. **In a learning** organization, the \_\_\_\_\_ encourages openness, equality, continuous improvement, and change.  
**B.** culture

37. The study of organization behavior is:  
**A.** Different from the study of organization theory because of a different Focus.

38. The study of organization behavior is:  
**D.** A micro approach focusing on the individual.

39. **The primary** level of analysis in organization theory is on the \_\_\_\_\_, with some concern for the \_\_\_\_\_ and the \_\_\_\_\_.  
**B.** organization, environment, departments

40. Mission is the same thing as:  
**C.** Official goals

41. Organization is born as a result of the:  
**D.** Division of labor

#### TRUE / FALSE

1. **A key** element of an organization is a building or set of policies and procedures, not the people and their relationships. **F**

2. **A closed** system would be autonomous, enclosed, and sealed off from the outside world, whereas consumes resources and exports resources to the environment. **T**

3. **Outputs** of an organization include employees, raw materials and other physical resources, information, and financial resources. **F**

4. **In the transformation** process, "output" deals with financial resources. **F**

5. **The amount** of written documentation in the organization is called formalization. **T**

6. **An organization's** culture is usually contained in the written policy manual. **F**

7. **The six** structural dimensions of organization design are formalization, specialization, culture, environment, hierarchy of authority, professionalism, and goals and strategy. **F**

8. **The underlying** set of key values, beliefs, understandings, and norms shared by employees is referred to as an organization's culture. **T**

9. **Common** structural variables studied as dimensions of organizations are goals, culture, and environment. **F**

10. **The eleven** contextual and structural dimensions are not dependent on each other. **F**

11. **Efficiency** refers to the amount of resources used to achieve the organization's goals, whereas effectiveness refers to the degree to which an organization achieves its goals. **T**

12. **The stakeholder** approach integrates diverse organizational activities by looking at various organizational stakeholders and what they want from the organization. **T**

13. **Usually**, organizations can easily satisfy the demands of all of its stakeholders simultaneously. **F**

14. **Research** has shown that the assessment of multiple stakeholder groups is an accurate reflection of organizational effectiveness, especially with respect to organizational adaptability. **T**

15. **The classical** perspective of organization design sought to make organizations run like learning organizations in a turbulent environment. **F**

16. **Scientific** management focused **on the total** organization and grew from the insights of practitioners. **F**

17. **Scientific** management focused **on primarily** the technical core, whereas administrative principles focused on the design and functioning of the organization as a whole. **T**

18. **Because** of the Hawthorne Studies, a revolution in worker treatment took place and laid the groundwork for subsequent work examining treatment of workers, leadership, motivation, and human resource management. **T**

19. **Contingency** means that one thing depends on other things, and for organizations to be effective, there must be a "goodness of fit" between their structure and the conditions of their external environment. **T**

20. **For much** of the twentieth century, organizations operated in a world that was relatively stable, but today the environment can be characterized as turbulent. **T**

21. **Organizations** today have rigid boundaries separating them from other organizations. **F**

22. **In the learning** organization, **the vertical** structure that creates distance between managers at the top and workers in the technical core is disbanded. **T**

23. **In the learning** organization, **everyone** knows how the organization works and how everything fits together. **T**

24. **The primary** level of analysis in organization theory is first line supervision. **F**

25. **Organization theory** is a macro examination of organizational activity, emphasizing structure and behavior of the organization level of analysis. **T**

1. When looking for strengths and weaknesses, top management is:

C. Evaluating the internal situation in order to define its distinctive competence.

2. The primary responsibility of top management is to:

B. Determine goals, strategy, and design, in adaptation to environment.

3. The leader of one religious denomination emphasizes converts to the denomination, whereas the previous leader felt converts should play a backseat role while they "paid their dues." This illustrates influence on the selection of effectiveness criteria.

B. top management

4. The top management role in organization effectiveness involves examination of internal environment which includes:

B. Weaknesses.

5. The top management role in organization effectiveness involves examination of external environment which includes:

A. Threats.

6. The most common occurrence in setting goals and selecting a strategy is that:

C. New goals and strategies are selected on the basis of environmental needs and the organization is redesigned accordingly.

7. The choices top managers make about goals, strategies, and organizational design have a tremendous impact on organizational:

C. effectiveness.

8. The goal of Short Stop Markets to capture 25% of the convenience market business in Arizona is an example of a(n) goal.

B. operative

9. Mission is the same thing as:

C. Official goals.

10. Which of the following reflects the overall performance of profit organizations?

B. Profitability

11. pertains to the training, promotion, safety, and growth of employees.

D. Employee development

12. Successful organizations use a carefully balanced set of goals.

A. operative

13. Models for formulating organizational strategies include:

C. Porter's model and Miles and Snow's typology.

14. Official goals provide, while operative goals and strategies provide.

B. legitimacy, employee direction

15. A plan for interacting with the competitive environment to achieve organizational goals is referred to as:

A. strategy.

16. The differentiation strategy:

C. Is one of Michael Porter's competitive strategies.

17. A strategy can reduce rivalry with competitors and fight off the threat of substitute products because customers are loyal to the company's brand.

D. differentiation

18. The slogan, "We're a no-frills business! When we save, you save!" exemplifies the strategy of:

A. Low-cost leadership.

19. Which of the following is true about Porter's competitive strategies:

D. The statement by coffee café Starbucks international president "We're not in the business of filling bellies, we're in the business of filling souls" is indicative of a differentiation strategy.

20. A(n) strategy is concerned primarily with stability rather than taking risks or seeking new opportunities for innovation and growth.

B. low-cost leadership

21. The focus strategy:

D. Concentrates on a specific regional market or buyer group.

22. In Miles and Snow's Strategy Typology, the prospector:

D. Seeks innovation or risk taking and is therefore best suited to the dynamic environment.

23. Miles and Snow's Strategy Typology is based on the notion that:

B. Strategy should be congruent with external environment.

24. The strategy tries to maintain a stable business while innovating on the periphery.

C. analyzer

25. Organization needs to support the firm's competitive approach.

B. design characteristics

26. Which of the following from Miles and Snow's Strategy Typology best matches with strong capability in research, a decentralized structure, and an emphasis on flexibility:

C. Prospector.

27. The extent to which goals are obtained is a traditional definition of the degree of in the organization.

D. effectiveness

28. Contingency approaches to the measurement of effectiveness include:

A. Whether or not the organization's internal activities and processes are efficient.

29. The approach to organizational effectiveness is concerned with the output side and whether the organization achieves its goals in terms of desired levels of output.

A. goal

30. When using the goal approach to effectiveness, it is best to use goals.

A. operational

31. Which of the following is true regarding the goal approach:

A. Full assessment of effectiveness should consider several goals simultaneously because high achievement on one goal may mean low achievement on another.

32. Two comparably sized colleges are located in adjacent towns. The admissions counselors of College A have been telling prospective students that College A is better than College B because their latest freshman class has 150 more students than the freshman class at College B. The admissions counselors of College A are using the effectiveness approach.

A. Resource-based

33. The resource-based approach emphasizes the:

A. Input into an organization.

34. One strength of the internal process approach is the fact that it:

B. Considers human resources and employee-oriented processes.

35. Contingency factors affecting the international organizational health and efficiency, according to the text, include:

A. Organization culture.

36. If one is measuring work climate, group loyalty, and worker-management communication as a measure of effectiveness, what approach is most likely being used:

A. Internal process.

37. Which approach provides management with structural control and an external focus:

B. The rational goal emphasis.

38. The competing values approach to effectiveness is based on two dimensions (i.e., the axes), which are:

B. Internal/external focus and flexible/structured control.

39. The Stevens Corporation has goals that reflect deeply-rooted values on growth and resource acquisition. In the competing values approach to effectiveness evaluation, it would be considered to be primarily in which quadrant:

C. Open systems emphasis.

40. Which of the following is not an emphasis in the competing values model?

C. Closed systems

41. Which of the following is true about Porter's competitive values model?

D. Apple, Inc is a company that has benefited from a differentiation strategy and never tried to compete on price because it likes being perceived as an "elite" brand

## TRUE / FALSE

1. The primary responsibility of top management is to determine an organization's goals, strategy, and design, therein adapting the organization to a changing environment. T

2. Before the mission is defined and goals are set, top management should assess its strengths, weaknesses, opportunities, and threats. T

3. Experienced managers will interpret the environment similarly and therefore end up with similar strategic goals, thus causing a cooperative situation to occur. F

4. Goals and strategies are usually fixed and remain unchanged once top management agrees upon them. F

5. Organizational mission and operational goals are the same thing. F

6. Operative goals refer to the formally stated definition of business scope and outcomes the organization is trying to achieve. F

7. Growth and output volume are examples of overall performance goals. T

8. A productivity goal could be stated in terms of "cost for a unit of production," "units produced per employee," or "resource cost per employee." T

9. A market goal would typically be stated in terms of net income, earnings per share, or return on investment. F

10. Innovation and change goals are increasingly important, even though they initially cause a large increase in profits. F

11. Official goals address issues pertaining to corporate legitimacy. T

12. A strategy is a plan for achievement of organizational goals. T

13. Organizations using the differentiation strategy try to distinguish their products or services from others in the industry. T

14. The low-cost leadership strategy is known for requiring skills based on strong marketing ability, creative flair, strong capability in basic research, and corporate reputation for technological leadership. F

15. Differentiation is the strategy that is specifically designed to innovate, take risks, and above all, grow in its dynamic environment. F

16. A defender strategy is concerned with internal efficiency and control to produce reliable, high-quality products for steady customers. T

17. The reactor strategy is a strategy because it responds to environmental threats and opportunities in a strategic fashion. F

18. A differentiation strategy calls for a learning approach, whereas a low-cost strategy should be paired with an efficiency approach. T

19. Organizational goals represent the reason for an organization's existence and the outcomes it seeks to achieve. T

20. If an organization has well-developed goals for profitability, that is all they need for determination of their effectiveness. F

21. One would expect the effectiveness criteria of a football team to be affected by goal measurability. T

22. The competing values approach to effectiveness demonstrates that only one managerial value (or effectiveness criteria) can be used, and managers must decide which of the four competing values they will follow. F

23. The internal process approach to effectiveness utilizes both cultural and economic measures. T

24. The rational goal emphasis incorporates the values of an internal focus and a flexible structure, whereas the internal process emphasis reflects the values of internal focus and structural control. F



**1. Reference Test Bank Organization Chart 3.1**

**We can accurately conclude that:**

**C.** The company has a functional structure.

**2. Reference Test Bank Organization Chart 3.1**

**The structure would bring strengths such as:**

**B.** Economies of scale.

**3. Reference Test Bank Organization Chart 3.1**

**This structure:**

**D.** could have a weakness of slow response to environmental changes that require coordination across functional areas.

**4. Reference Test Bank Organization Chart 3.2**

**Which of the following is correct?**

**D.** The customer account executives can be considered to be integrators.

**5. Reference Test Bank Organization Chart 3.2**

**Which of the following most applies?**

**A.** If well-managed, achieves coordination both within and between customer accounts.

**6. Reference Test Bank Organization Chart 3.2**

**Which of the following is correct?**

**B.** The structure is primarily functional

**7. Which of the following is not a component in the definition of organization structure?**

**B.** It identifies the tasks and processes for each position within the organization

**8. Which of the following is true concerning information in an organization?**

**C.** Structure should fit the information requirements of the organization.

**9. \_\_\_\_\_ are used to coordinate activities between the top and bottom of an organization and are designed primarily for control of the organization.**

**A.** Vertical linkages

**10. When problems and decisions are funneled to top levels of the hierarchy for resolution, \_\_\_\_\_ is being used.**

**A.** Centralized decision making

**11. Which of the following is not a structural device used to achieve vertical linkages?**

**B.** Task forces

**12. Horizontal linkage mechanisms:**

**D.** enable people in different functional departments to exchange information

**13. Which of the following mechanisms does not provide an improved degree of horizontal coordination and control?**

**C.** Hierarchical referral

**14. A liaison role exists when:**

**D.** a person located in one department had the responsibility for communicating and achieving coordination with another department.

**15. A full-time integrator:**

**B.** has a title such as product manager.

**16. If Brian Ramsaur is the Gaterade product manager at Fencelink, then he is:**

**B.** a full-time integrator.

**17. Which of the following terms would best be linked with "full-time integrator?"**

**A.** Brand manager

**18. Which of the following is made up of organizationally or geographically dispersed members who are linked primarily through advanced information and communications technologies?**

**A.** Virtual teams

**19. Collette Ryan is the vice president of marketing for her company. Other officers in the company include the vice presidents of engineering, production, finance, and human resource management. The structure of this small company is likely to be:**

**C.** Functional.

**20. Which of the following is true of a functional structure?**

**C.** It often results in hierarchy overload.

**21. What is likely to be the result if a domestic company that manufactures four different types of products changes from a functional structure to a divisional structure?**

**B.** Better coordination within a product area between different functional areas

**22. A company that wishes to maintain the basic functional structure, but is having difficulty coordinating across departments because of growth:**

**A.** should install horizontal linkages.

**23. The product or divisional structure:**

**D.** allows units to adapt to differences in products, regions, and clients.

**24. Potential weaknesses of the horizontal structure include:**

**B.** determining core processes to organize around is often difficult.

**25. The matrix structure is the correct structure when three conditions are met. Which of the following is one of these three conditions?**

**A.** Pressure exists to share scarce resources across product lines.

**26. The matrix structure:**

**A.** always keeps dual-authority relationships.

**27. In a \_\_\_\_\_ matrix, the project/product managers have primary authority and functional managers simply assign technical personnel to projects and provide advisory expertise as needed.**

**D.** Product

**28. All of the following are characteristics of a horizontal structure except:**

**C.** the culture is one that is closed, untrustworthy, and non-collaborative, focused on individual accomplishments.

**C\*** Whether or not the organization's internal activities and processes are efficient.

**29. In the horizontal structure, it is said that:**

**A.** the process owner is responsible for coordinating the core process in its entirety

**30. Two types of hybrid structures are common today. The approaches combine:**

**B.** functional and divisional structures; functional and horizontal structures.

**31. All of the following, except \_\_\_\_\_, are symptoms of structural deficiency.**

**D.** employees lack motivation

**32. \_\_\_\_\_ means decision making authority is pushed down to lower organizational levels.**

**C.** decentralized decision making

**33. Which of the following is another strategy for increasing vertical information capacity and includes periodic reports, written information, and computer-based communications?**

**B.** vertical information system

**34. \_\_\_\_\_ refers to communication and coordination horizontally across organizational departments.**

**A.** Horizontal linkage

**35. A \_\_\_\_\_ is a temporary committee composed of representatives from each organizational unit affected by a problem.**

**C.** task force

**36. Reference Organization Chart 3.1. Which of the following is correct:**

**B.** the structure is primarily functional

**37. The overall design of organization structure indicates all of the following except:**

**D.** information systems

**38. The \_\_\_\_\_ should be an unbroken line of authority that links all persons in an organization and shows who reports to whom**

**C.** chain of command

**39. Which of the following means employees are organized around core work processes, the end-to-end work, information, and material flows that provide value directly to customers?**

**B.** horizontal grouping

**40. Riya is the vice president of marketing for her company. Other officers in the company include the vice presidents of engineering, production, finance, and human resource management. The structure of this small company is likely to be:**

**C.** functional

**41. Which of the following is NOT a strength of a functional organization structure?**

**D.** Leads to customer satisfaction because product responsibility and contact points are clear.

**42. All of the following are strengths of a divisional organization structure, except:**

**C.** it centralizes decision making

**43. Which of the following is not a weakness of a matrix organization structure?**

**B.** Determining core processes is difficult and time consuming.

**44. \_\_\_\_\_ means the redesign of a vertical organization along its horizontal workflows and processes.**

**D.** reengineering

**45. Potential weaknesses of the horizontal structure include:**

**B.** determining core processes to organize around is often difficult.

**46. With a \_\_\_\_\_, the firm subcontracts most of its major functions or processes to separate companies and coordinates their activities from a small headquarters organization.**

**A.** virtual network structure

**40. Which type of structure tends to be used in rapidly changing environments because they offer the organization greater flexibility?**

**C.** Hybrid structure

**41. At Verterans Administration (VA) hospitals around the country, a sophisticated system called Vista enables people all across the organization to access complete patient information and provide better care. Vista is an example of which of the following?**

**C.** information system

**42. Benjamin is an engineer at ABC Technologies. His office is located in the manufacturing area so that he is readily available for discussions with manufacturing supervisors about engineering problems with the manufactured products. Benjamin occupies a(n):**

**A.** liaison rôle

**43. \_\_\_\_\_ refers to frequent, timely, problem-solving communication carried out through relationships of shared goals, shared knowledge, and mutual respect.**

**C.** relational coordination

**44. All of the following statements regarding relational coordination are true except**

**A.** when relational coordination is low, people share information and coordinate their activities.

**45. At an Internet company, all the people associated with maintaining the website are grouped together in one department. This is an example of \_\_\_\_\_ grouping.**

**D.** functional

**46. \_\_\_\_\_ is the most recent approach to departmental grouping. With this grouping, the organization is a loosely connected cluster of separate components.**

**A.** virtual network grouping

**47. With a \_\_\_\_\_ grouping, the organization is loosely connected clusters of separate components.**

**C.** modular (virtual network)

**48. Which of the following is not a strength of a modular structure?**

**D.** Gives a company long term investments in factories, equipment and distribution facilities

**TRUE/FALSE**

**1. The organization chart is the visual representation of a whole set of underlying activities and processes in an organization. T**

**2. Horizontal linkages are used to coordinate activities between the top and bottom of an organization and are designed primarily for control of the organization, whereas vertical linkages refers to the amount of communication and coordinate across organizational departments.F**

**3. Rules and plans are lower on the ladder of mechanisms for vertical linkage than is adding positions to the hierarchy T**

**4. A task force is located in one department but has the responsibility for communicating and achieving coordination with another departmentF**

**5. Integrator roles require excellent people skillsT**

**6. It would be logical for a full-time integrator to have no direct subordinates. T**

**7. A full-time integrator such as a project manager has the various functional managers--finance, engineering, marketing--reporting to him or her.F**

**8. Project teams can be thought of as permanent task forces.T**

**9. Grouping by output means that people are organized by similar functions or work processes, with similar knowledge and skills.F**

**10. Functional grouping places employees together who perform similar work processes and typically have similar knowledge and skills.T**

**11. A weakness of the functional structure is that it results in a slow response time to environmental change.T**

**12. A strength of the divisional structure compared to the functional structure is that it tends to decentralize decision making.T**

**13. Divisional structure may be organized by product, services, major projects or programs, or profit centers. T**

**14. An advantage of the divisional structure is that coordination of functional matters relative to any one given product is maximized. T**

**15. A horizontal structure is characterized by coordination around geographical areas. F**

**16. Pressure for innovation is sufficient cause for adopting the matrix structure F**

**17. There are two variations of matrix structure: the functional matrix and the divisional matrix. F**

**18. The horizontal structure organizes employees around core processes. T**

**19. Most companies combine characteristics of multiple structures to take advantage of the strengths and avoid some of the weaknesses.T**

**20. The most significant strength of the modular structure is that it can dramatically increase the company's flexibility and response to changes in customer needs because of the enhanced coordination. F**

**21. The modular organization may be viewed as a central hub surrounded by a network of outside specialists.T**

**22. The organization chart is the visual representation of a whole set of underlying activities and processes in an organization. F**

**23. Managers create information linkages to facilitate communication and coordination among organizational elements T**

**24. Horizontal linkages are used to coordinate activities between the top and bottom of an organization and are designed primarily for control of the organization, whereas vertical linkages refers to the amount of communication and coordination across organizational departments. F**

**25. The matrix structure is best when environmental change is high and when goals reflect a dual requirement.T**

**26. Horizontal grouping means to contract out certain tasks or functions.F**

**27. A hybrid structure is rarely preferred over the pure functional, divisional, horizontal, and virtual network structure. F**

**28. Vertical control is appropriate when the organization has a high need for coordination among functions to achieve innovation and promote learning.F**

**29. The concept of the organization chart has been around for approximately 25 years.F**

**30. The use of the organization chart for business stems largely from the Industrial Revolution.T**

**31. Liaison roles usually link four or more departments F**

**32. The highest level of horizontal coordination is relational coordination.T**

**33. A weakness of the divisional organization structure is that the organization loses economies of scale. T**

**34. Exporting means to contract out certain tasks or functions, such as manufacturing, human resources, or credit processing, to other companies.F**

**35. The primary weakness of the virtual network structure is a lack of control. T**

