

An organization's domain is:

C the organization's niche that has been staked out for itself with respect to products, services, and markets served.

Sectors of the environment which have direct impact on the organization are called the:

A task environment

The task environment is:

B sectors with which the organization interacts directly.

An organization's environment includes all *except*:

D production processes

The following examples illustrate how various sectors can impact organizations:

C in the raw materials sector, we note that steel makers owned the beverage can market until the mid-1980s.

The _____ includes those sectors that might not have a direct impact on the daily operations of a firm but will indirectly influence it.

A general environment

All of the following, except _____, are examples of the general environment.

B human resources

Assessment of environmental uncertainty of an organization is based primarily on analysis of two dimensions, which are:

A the need for information about the environment and the need for resources from the environment.

Which of the following is a proper dimension of the framework for assessing environmental uncertainty?

B Simple-complex

Which of the following means that decision makers do not have sufficient information about environmental factors and they have a difficult time predicting external change?

C Uncertainty

Which of the following is a proper dimension of the framework for assessing environmental uncertainty?

A Stable-unstable

When Johnson & Johnson had to cope with the unpredictable Tylenol poisoning issue, their experience best exemplified the _____ dimension of the environment.

D unstable

Organizations in which of the following types of industries would face the greatest amount of environmental uncertainty?

C Airlines because of instability

Trend-setting toy companies or high-fashion clothing manufacturers have in common:

D an environment that is simple but unstable, creating relatively high uncertainty.

In the framework for assessing environmental uncertainty:

B universities are examples of organizations typically found in the complex and stable quadrant.

Boundary-spanning roles:

C bring into the organization information about environmental changes.

Bobby Barista is a researcher in the R&D department at 3M. Part of her job is to read technical and scientific journals, and to attend conferences to find out what new developments are occurring. When she is doing this part of her job she is carrying out a _____ role.

C boundary spanning

Allowing customers in an auto dealership service department to talk directly to the mechanic rather than to a service manager:

B is creating a boundary-spanning role.

The differences in cognitive and emotional orientations among managers in different functional departments, and the difference in formal structure among these departments is referred to as

D differentiation.

In organizations characterized by very _____ and _____ environments, almost no managers are assigned to integration roles.

A simple, stable

_____ is the quality of collaboration among departments.

B integration

Organizations in rapidly changing environments tend to have _____ management processes.

C organic

Which of the following is not a characteristic of the mechanistic process?

D Communication is horizontal

Which of the following characteristics most accurately describes mechanistic organizations?

D Tasks are broken down into specialized parts

All of the following, except _____, are ways high-moderate uncertainty influences organizational characteristics.

A mechanistic structure: formal, centralized

_____ is a way that high uncertainty influences organizational characteristics.

A Extensive planning and forecasting

_____ means that organizations depend on the environment but strive to acquire control over resources to minimize their dependence.

B Resource dependence

All of the following are strategies for controlling the environmental domain except

D cooptation and interlocking directorates.

A(n) _____ involves the purchase of one organization by another so that the buyer assumes control.

A acquisition

Dave Dunn is a militant member of a faculty union at a medium-sized college. When the union's negotiating committee is reporting to a meeting of the faculty, he always finds fault with the work of that committee and strongly advocates striking. When a member of the negotiating committee resigns because of illness, the union's executive committee appoints Dave to take his place. This is an example of:

B cooptation

A(n) _____ is a formal linkage that occurs when a member of the board of directors of one company sits on the board of directors of another company.

B interlocking directorate

Which of the following occurs when leaders from important sectors in the environment are made part of an organization?

D cooptation

_____ is especially important in highly competitive consumer industries and in industries that experience variable demand.

A advertising

An organization can change its domain most directly by:

C Divesting a division of the organization.

_____ can be used to erect regulatory barriers against new competitors or to squash unfavorable legislation.

D political strategy

Which of the following is not a strategy

C Trade associations

The goal of the sociotechnical systems approach is to design the organization for

A joint optimization

Woodward's classification of technology (into three cluster of organizational technologies) was based on a scale that measured:

C the technological complexity of the organization's technical core

1. A company in a highly uncertain environment is more likely to need a formal integrator. **T**
2. A hardware store would be in a complex environment. **F**
3. As the complexity in the external environment increases, so does the number of positions and departments within the organization, which in turn increases internal complexity. **T**
4. Boundary spanners can prevent the organization from stagnating by keeping top managers informed about environmental changes. **T**
5. Differentiation refers to differences in cognitive and emotional orientations among managers in different functional departments. **T**
6. Generation Y refers to the sons and daughters of baby boomers who generally refuse to give their support to high cost brand name goods such as Nike. **T**
7. If the external environment is stable, a mechanistic and formal organization can be successful **T**
8. In addition to establishing favorable linkages to obtain resources, organizations also may try to change the environment. **T**
9. In rapidly changing environments, an organic structure is usually better. **T**
10. In the organic organization, tasks are broken down into specialized, separate parts. **False**
11. Most e-commerce companies focus on a specific competitive niche and operate in simple but unstable environments as well. **True**
12. Once an organization relies on their others for valued resources, those other organizations can influence managerial decision making. **True**
13. One outcome of high differentiation is that coordination between departments becomes more difficult until integrative devices are put in place. **True**
14. Planning guarantees successful coping with an unstable environment. **False**
15. Rather than establish buffer departments, a newer approach in many organizations is to drop the buffers and expose the technical core to its uncertain environment. **True**
16. Row Furniture Company shifted to an organic system of management in order to produce more rapidly on its assembly line. **False**
17. The boundary-spanning role is designed to bring information to the organization about changes in the environment, but not to work in reverse to take information into the environment about the organization. **False**
18. The environmental conditions of complexity and change create a greater need to gather information and to respond based on that information. **True**
19. The general environment includes sectors with which the organization interacts directly and which have a direct and regular impact on the organization's ability to achieve its goals. **False**
20. The general environment includes those sectors that might not have a direct impact on the daily operations of a firm but will indirectly influence it. **True**
21. The greatest uncertainty for an organization occurs in the simple, unstable environment. **False**
22. The growing importance of the international sector means that the environment of all organizations is becoming extremely simple and extremely stable. **False**
23. The socio-cultural sector refers to city, state, federal laws and regulations, taxes, courts systems, and political processes that may be in an organization's environment. **False**
24. Tommy Hilfiger is known for its ability to stay in close contact with its environment and its customers. **True**
25. Transferring or exchanging executives offers a method of establishing favorable linkages with external organizations. **True**

26. When differentiation is high, integration should be high if the level of environmental uncertainty is high. **True**
27. When organizations depend on the environment but strive to acquire control over resources to minimize their dependence, it is referred to as cooptation. **False**

_____ focuses on organizational diversity and adaptation within a population of organizations
B. Population ecology

_____ is defined as the general perspective that an organization's actions are desirable, proper, and appropriate within the environment's system of norms, values, and belief.
B. Legitimacy

A basic assumption of the population ecology model is that:
B. the environment determines which organizations survive or fail

A company may use any or all of the mechanisms of mimetic, coercive, or normative forces to change itself for greater _____ in the institutional environment
D. legitimacy

A system formed by the interactions of a community of organizations and their environment is referred to as a(n):
B. organizational ecosystem

All of the following, except _____, are elements of the population ecology model of organizations.
C. legitimacy

An event for coercive force is:
D. political law

An example of mimetic force is:
A. reengineering.

An organizational niche:
C. is a domain of unique environmental resources and needs.

Benchmarking is:
A. a mimetic process

Coercive forces result in:
D. the appearance of legitimacy

Established organizations have a difficult time adapting to a rapidly changing environment because:
B. of heavy investment in plant and equipment and an established viewpoint of leadership that has been successful.

In resource dependence theory:
C. Organizations will do whatever is needed to avoid dependence on the environment for reducing uncertainty

In this new world, managers think about _____ rather than vertical structures.
C. horizontal structures

Institutional similarity would include the perspective that:
A. common structures emerge among organizations in the same field.

Major reasons for interorganizational collaboration include all of the following except:
D. interpersonal factors

Mimetic forces would include the perspective that:
C. in the face of uncertainty, organizations copy or model each other

Organizations with a wide niche or domain, that is, those that offer a broad range of products and services or that serve abroad market, are:

B. generalists.

Relatively enduring resource transactions, flows, and linkages that occur among two or more organizations are called:

B. interorganizational relationships

The _____ is composed of norms and values from stakeholders.

A. institutional environment

The institutional view argues that:

C. When an organizational field is just getting started, diversity is the norm, but later there is a push for similarity.

The social basis for normative forces is:

C. moral.

The traditional orientation to other organizations involved this characteristic:

C. legal resolution of conflict.

The new orientation to other organizations involves this characteristic:

A. equity and fair dealing

Which of the following from the institutional view is true about the two essential dimensions of organization?

A. The institutional structure is that part of the organization most visible to the outside public.

Which of the following is not a resource strategy?

C. Independent auditors

Which of the following is not part of the framework of interorganizational relationships?

D. Shared competition

Which of the following is true about the struggle for existence, a principle underlying the population ecology model?

D. The struggle is most intense among new organizations, and survival frequencies are related to environmental factors

Which theory argues that organizations try to minimize their reliance on other organizations for the supply of important resources and try to influence the environment to make resources available?

C. Resource dependence theory

With coercive forces, the reason for adaptation is:

A. dependence.

1. A niche is a domain of unique environmental resources and needs. **False**
2. Because of the diversity of products, services, and customers, generalists are able to reallocate resources internally to adapt to a changing environment, whereas specialists are not. **T**
3. Coercive forces mean that organizations change to achieve standards of professionalism. **F**
4. Collaboration is being practiced as companies join together to become more competitive as a block. **T**
5. Generalists are generally more competitive than specialists in the narrow area in which their domains overlap. **F**
6. Given their flexibility, specialists are able to reallocate resources internally to adapt to a changing environment, whereas generalists are not. **F**
7. In population ecology theory, large dependent companies have power over small suppliers. **F**
8. In the positive view of partnerships, dependence on another company is seen to increase risk rather than reducing it. **F**
9. Institutional similarity is the emergence of a common structure and approach among organizations in the same field. **T**
10. Many companies are changing from a partnership orientation mindset to a traditional adversarial. **F**
11. Mimetic forces refer to the similarity that is brought between organizations from environmental influences such as governmental laws and legislative requirements. **F**
12. The four perspectives of a framework of Interorganizational relationships include resource dependency, population ecology, collaborative network, and reengineering. **F**
13. The institutional perspective explains why organizational diversity continuously increases with the appearance of new organizations filling niches left open by established companies. **F**
14. The major reasons for collaboration are sharing risks when entering new markets, mounting expensive new programs and reducing costs, and enhancing organizational profile in selected industries or technologies. **T**
15. The outcome of mechanisms of mimetic, coercive, or normative forces is that organizations become more heterogeneous, to reflect the natural diversity among managers and environments. **F**
16. The population ecology perspective CLAIMS that large companies cannot adapt to meet a changing environment, so new companies emerge with the appropriate form and skills to serve new needs. **T**
17. The population ecology perspective TELLS us that even institutionalized organizations like McDonald's are not permanent in the long run. **T**
18. The population ecology focuses on organizational diversity and adaptation within a population of organizations. **T**
19. The prevailing philosophy is that organizations consider themselves autonomous and separate, trying to outdo other companies so that they can grow and prosper. **F**
20. The resource dependence perspective argues that while organizations may attempt to control environmental resources, they also try to maintain their independence. **T**
21. The technical dimension of an organization is governed by expectations from the external environment. **F**
22. Variation, formation, and selection are the stages in the process of change in the environment. **F**
23. Universities, consulting firms, and professional training institutions develop norms among professional managers. **T**
24. Within business ecosystems managers learn to move beyond traditional responsibilities of corporate strategy and designing hierarchical structures and control systems. **T**

_____ are groups of independent companies that join together to share skills, resources, costs, and access to one another's markets.

D. Consortia

_____ is a popular approach to sharing development and production costs and penetrating new markets.

C. Joint ventures

_____ refers to the number and variety of products and services a company offers, as well as the number and variety of regions, countries, and markets it serves.

C. Scope

_____ teams are cross-border work groups made up of multiskilled, multinational members whose activities span multiple countries.

B. Global

_____ strategy would encourage production design, assembly, and marketing tailored to the specific needs of each country.

B. multidomestic

All of the following are characteristics that distinguish the transnational organization from other global organization forms except:

B. structures are stable.

All of the following, except _____, are typical alliances used for global expansion.

A. wholly owned subsidiaries

As organizations become more differentiated, with multiple products, divisions, departments, and positions scattered across numerous countries, managers face a tremendous _____ challenge.

C. integration

Building a global presence expands an organization's scale of operations, enabling it to realize:

A. economies of scale.

High _____ means that people accept inequality in power among institutions, organizations, and people.

B. power distance

In one survey, 70 percent of global companies reported that the most important function of corporation headquarters was to:

B. provide enterprise leadership

In the _____ stage, an international division has replaced the export department, and specialists are hired to handle sales, service, and warehousing abroad

B. international

Reference Test Bank Organization Chart 6.1. In this organization:

D. global product heads are usually accountable for profit and loss of their product in worldwide sales

Reference Test Bank Organization Chart 6.1. This structure is:

C. Global product division structure

Reference Test Bank Organization Chart 6.2. Comparing the structure that is diagramed to a global geographic structure:

A. the firm shown above is not as far along in developing opportunities for multidomestic strategy as the global geographic structure would be.

Reference Test Bank Organization Chart 6.2. This structure is:

B. domestic hybrid.

Some organizations create formal _____ positions to coordinate information and activities related to key customer accounts.

C. network coordinator

The _____ model reflects the ultimate in both organizational complexity, with many diverse units, and organizational coordination, with mechanisms for integrating the varied parts.

B. transnational

The global geographic division structure:

D. may cause product planning on a global scale to be challenging

The global matrix structure:

B. works best when there is pressure for decision making that balances the interests of both product standardization and geographical localization

The global product structure:

C. may result in competition among product divisions

The global product structure works best when a division handles products that:

B. can be standardized for marketing worldwide.

The transnational model is characterized by:

A. using shared vision and values to

The worldwide geographic or product structures are most likely to appear during the _____ stage of international evolution.

C. multinational

When a company such as Coca-Cola decides to use the same product design and advertising strategy throughout the world, it is following the _____ strategy.

D. globalization

Which of the following is not a primary segment of the global organizational challenge?

D. The need for KSAs

Which of the following is not a primary factor that motivates companies to expand internationally?

B. Smaller number of distribution channels

Which of these operates in truly global fashion, and the entire world is their marketplace?

D. Global companies

1. A company typically shifts its interest from domestic activity to exporting in the 3rd stage (multinational) of international development. **F**
2. A growing number of global consumers are rejecting the notion of homogenized products and services, calling for greater response to local preferences. **T**
3. A joint venture is a separate entity created with two or more active firms as sponsors. **T**
4. As companies begin to explore international opportunities, they typically start with an international division that grows into an export department. **F**
5. A transnational team is a work group made up of multinational members whose activities span multiple countries. **T**
6. Building a global presence expands an organization's scale of operations, enabling it to realize economies of scale. **T**
7. Functional managers coordinate across functions, whereas country managers coordinate among countries. **F**
8. Functional structures are found more frequently in a worldwide business than in a domestic business. **F**
9. Having a presence in multiple countries provides marketing power and synergy compared to the same size firm that has presence in fewer countries. **T**
10. High uncertainty avoidance means that people accept inequality in power among institutions, organizations, and people. **F**
11. Hybrid structures are typical in highly volatile environments. **T**
12. In many instances, companies will need to respond to both global and local opportunities simultaneously, in which case the global matrix structure can be used. **T**
13. In parts of Mexico, laundry detergent is used to wash dishes, not clothes, pointing out the need for a multidomestic strategy. **T**
14. Low uncertainty avoidance means that people have a high tolerance for the unstructured, the unclear, and the unpredictable. **T**
15. Managers and organizations all over the world are very reluctant to cooperate to achieve competitive advantage on a global scale. **F**
16. Network coordinators would enable a manufacturing organization to provide knowledge and integrated solutions across multiple business, divisions, and countries for a large customer. **T**
17. The global geographic structure divides the world into geographical regions, with each geographical division reporting to the CEO. **T**
18. The global product division structure works best when pressure for decision-making balances the interests of both product standardization and geographical localization and when coordination to share resources is important **F**
19. The globalization strategy means that product design, manufacturing, and marketing strategy are standardized throughout the world, whereas a multidomestic strategy means that competition in each country is handled independently of competition in other countries. **T**
20. The international stage of international development means that exports are taken seriously and that the company deals with the competitive issues of each country separately. **T**
21. The management philosophy of transnational model is based on interdependence rather than either full divisional independence or total dependence of these units on headquarters for decision making and control. **T**

22. The “not-invented-here” syndrome makes some managers reluctant to tap into the know-how and expertise of other units. T
23. The product-based structure works best when a division handles products that are technologically similar and can be standardized for marketing around the world. T
24. The second stage of international evolution, “International Stage,” will usually be structured with a domestic structure with an export department. F
25. The transnational model reflects the ultimate in both organizational complexity, with many diverse units, and organizational coordination, with mechanisms for integrating the varied parts. T
26. To meet new competitive threats, many manufacturing firms are emphasizing the ability to customize their products to meet specific needs, which requires a greater emphasis on global responsiveness. F
27. With a global geographic division structure, each division’s manager is responsible for planning, organizing, and controlling all functions for the production and distribution of its products for any market around the world. F