1. _____ **authority is based on devotion** to the exemplary character or to the heroism of an individual person and the order defined by him or her.

C.   Charismatic

2. _____ **was developed** to maintain the efficiency and control benefits of bureaucracy yet prevent the problem of slow response to crises.

A.   Incident command system

3. **A condition** in which a substantial, absolute decrease in an organization's resource base occurs over a period of time is referred to as:

C.   organizational decline

4. **A form** of organization called _____ has emerged that is made up completely of professionals.

D.   professional partnerships

5. All of the following **are factors that cause** organizational decline *except*:

B.   increased product prices.

6. **A primary reason** identified for the organizational design success of United Parcel Service was:

B.   its adoption of the bureaucratic model.

7. **Carson** is the manager of Cutter's Consulting, a consulting company composed of professionals from different fields. In such a company, Carson would be wise to:

B.   have little formalization.

8. **Clan control** is most often used in:

A.   small, informal organizations or in organizations with a strong culture.

9. **Departments** emerge and are established, along with a beginning division of labor, in a newly established hierarchy at which stage in the life cycle?

C.   Collectivity

10. **During** the _____ stage, the organization begins to develop clear goals and direction.

D.   collectivity

11. **High formalization** is most closely associated with which of the following?

C.   Large size

12. **In contrast** to large businesses, small business is characterized by:

A.   constituting a large percentage of all exporters.

13. **In the** _____ **stage**, denial occurs despite signs of deteriorating performance.

B.   inaction

14. In which stage the organization faces serious problems, and indicators of poor performance cannot be ignored?

A.   Faulty action

15. Max Weber developed the concept of a bureaucracy to make organizations:

A.   more rational and efficient.

16. More than one type of authority may exist in organizations, but _____ authority is the most widely used form to govern internal work activities and decision making, particularly in large organizations.

D.   Rational-legal

17. Organizations going through the life cycle:

C.   usually resolve crises associated with each stage, or face restricted growth

18. Research on personnel ratios has found that:

D.   there is a lowered administrative ratio in large firms.

19. Rules and standard procedures as developed by Weber were to:

C.   enable activities to be performed in a predictable and routine manner.

20. The _____ is ultimately responsible for all activities that occur, and everyone knows clearly who is in charge of what aspect of the situation.

C.   incident commander

21. The basic idea behind _____ is that the organization can glide smoothly between a highly formalized, hierarchical structure that is effective during times of stability and a more flexible, loosely structured one needed to respond well to unexpected and demanding environmental conditions.

B.   ICS

22. The primary reason that the **CEO** of a large company such as McDonald's would push decisions as far down the hierarchy as he can is to:

B.   make decisions more quickly.

23. The use of _____ control requires that outputs be sufficiently explicit for a price to be assigned and that competition exist.

D.   market

24. Tyler Jones is the CEO of a medium-sized manufacturer of bedding and blankets. Tyler insists on making all decisions as to styles that are manufactured, the type of material that will be used in each, the sources from whom the company will purchase yard goods, thread, and buttons, and the shippers the company will use. Which of the following terms describes this company?

B.   Centralization

25. What is the major goal of an organization during the entrepreneurial stage of the life cycle?

C.   Survival

26. When downsizing, all of the following can help smooth the downsizing process and ease tensions for employees who leave and remain *except*:

D.   let workers deal with the situation on their own and in their own ways

27. Which of the following **characterizes the formalization** stage of the life cycle?

D.   All of the above

28. Which of the following **is <u>not</u> a dimension** of bureaucracy that Weber envisioned as desirable?

D.   Trained employees

29. Which of the following **is not a type of authority** that could explain the creation and control of a large corporation?

D.   Competitive authority

30. Which of the following **is the use of rules, policies**, hierarchy of authority, written documentation, standardization, and other bureaucratic mechanisms to standardize behavior and assess performance?

B.   Bureaucratic control

1. As organizations become larger, **a larger percentage** of top administrators is necessary. **F**

2. As organizations become larger, **a smaller percentage** of technical and professional support staff is recommended. **F**

3. As organizations become larger, **greater centralization** is necessary. **F**

4. As organizations **increase in size**, the net effect for direct workers is that they decline as a percentage of total employees. **T**

5. **Clan control** is generally used by companies that are small and informal or have a strong culture. **T**

6. **Communicating more**, not less, providing assistance to displaced workers, and help the survivors thrive are three ways for organizations to deal with downsizing. **T**

7. **Despite** the increasing size of many companies, the economic vitality of the U.S. is tied to small and midsize businesses**. T**

8. **In a large company** going through the organizational life cycle, the replacement of top management may occur in its elaboration stage as it struggles to revitalize. **T**

9. **In the collectivity stage**, departments are established along with a hierarchy of authority, job assignments, and a beginning division of labor. **T**

10. **Increased training** can substitute for bureaucratic rules and procedures. **T**

11. **Market control** is most frequently used in the control of functional departments. **F**

12. **Ninety-nine percent** of businesses that make it past the first year still fail within five years because they can't make the transition from the entrepreneurial stage. **F**

13. **The bureaucratic control** system was developed to maintain the efficiency and control benefits of bureaucracy yet prevent the problem of slow response to crises. **F**

14. **The elaboration** stage involves the installation and use of rules, procedures, and control systems. **F**

15. **The following organization** is in its collectivity stage: Employees at Ace identify with the company mission and goals, and they typically put in 55-hour workweeks. Ace is established in the marketplace, and is concentrating on getting more and more dealers to sign on. Ace does not have a written policies and procedures manual for its own employees. **T**

16. **The front/back** approach may be used to combine small units together in order to gain advantages of efficiencies. **F**

17. **The general finding** concerning incident commanders is that branches have substantial autonomy and decentralized authority to make necessary decisions. **F**

18. **The incident commander** is ultimately responsible for all activities that occur, and everyone knows clearly who is in charge of what aspect of the situation. **T**

19. **The life cycle** phenomenon is a powerful concept used for understanding problems facing organizations and how managers can respond in a positive way to move an organization to the next stage. **T**

20. There are ten stages of life cycle development that an organization must generally go through in order to reach the final stage when rewards are personal and aimed at those who contribute to organizational success. **F**

21. Traditional authority refers to control coming from exemplary character of an individual and the aura he or she creates. **F**

22. Weber believed that a well-managed bureaucracy would ensure efficient organizational functioning in both government and business settings. **T**

23. Weber's prediction of the triumph of bureaucracy proved accurate. **T**

24. An important aspect of the EIS is supply chain, which means managing the sequence of suppliers and purchasers covering all stages of processing from obtaining raw materials to distributing finished goods to consumers. **F**

_____ 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

_____ develop to reflect the common problems, goals, and experiences that members of a team, department, or other unit share.

C.   Subcultures

_____ means that members develop a collective identity and know how to work together effectively.

C.   Internal integration

A leader who _____ would thrive in a clan culture.

C.   integrates people into action and responsibility through participation

A(n) _____ arises in a situation concerning right and wrong where values are in conflict.

D.   ethical dilemma

An example of the rite of integration in corporate culture is:

C.   Office Valentine party

Culture exists at two levels called:

C.   underlying values and visible artifacts.

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.

Most managers are shifting away from bureaucratic cultures because of a need for:

A.   greater flexibility.

Nordstrom's upside-down organization chart is an example of _____ being used to convey organizational culture to all employees.

C.   a symbol

Organizational culture:

B.   provides members with a sense of identity.

Stories in organization which are used to perpetuate culture are based on:

C.   true events.

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.

B.   rule of law

The _____ culture has an internal focus and a consistency orientation for a stable environment.

D.   bureaucratic

The _____ culture is characterized by strategic focus on the external environment through flexibility and change to meet customer needs.

A.   adaptability

The degree of agreement among members of an organization about the importance of specific values is referred to as:

B.   culture strength

The major forces that shape managerial ethics include all of the following except:

C.   peers.

The mission culture places major emphasis on:

B.   a shared vision of organization purpose.

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

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.

When behavior is governed by a set of moral principles and values it is called:

B.   ethics.

Which of the following **is (are) manifestation(s)** of corporate culture?

D.   All of the above

Which of the following **influences personal ethics**?

D.   All of the above

The mission culture places major emphasis on:

B   a shared vision of organization purpose.

The framework that argues that decisions should be made to promote fairness and equity is:

C   distributive justice

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

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:

B   values-based leadership

Formal structure and formal systems that can be used to shape ethical values include all *except:*

B   repetition of words such as those ending Wal-Mart's cheer: "Who's No. I? The Customers!"

A corporate code of ethics:

D   is often part of a larger mission statement

Ethical training programs may include

D   all of the above

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

2. Written rules and policies are an integral part of corporate culture. **F**

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

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

5. There are four types of rites: passage, enhancement, renewal, and integration. **T**

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. **F**

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. **T**

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. **F**

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

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. **F**

11. Most managers today are moving towards bureaucratic cultures because of a need for greater flexibility. **F**

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

13. Culture strength refers to there being a low number of different subcultures within the culture as a whole. **F**

14. A strong organization culture is a primary characteristic of a learning organization. **T**

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

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

17. All ethical standards are legal requirements. **F**

18. All legal requirements are ethical standards. **F**

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

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

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

22. Values-based leadership is best instituted throughout the management hierarchy via an authoritative directive. **F**

23. Whistle-blowing is a disclosure mechanism. **T**

24. Learning ethical frameworks helps managers to act autonomously and still think their way through a difficult decision. **T**