

Chapter 2—The Environment and Corporate Culture

TRUE/FALSE

1. While Blockbuster has closed hundreds of stores and is likely to file for bankruptcy, Netflix expanded its customer base to over 13 million.

ANS: T PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

2. Factors external to the organizations have been primarily the focus of management as a discipline.

ANS: F PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

3. The general environment and the task environment are the two layers of an organization's external environment.

ANS: T PTS: 1 DIF: 1 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

4. The outer layer, the general environment, is widely dispersed and affects organizations directly.

ANS: F PTS: 1 DIF: 1 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

5. Customers and competitors are two important sectors of the economic dimension of a firm's general environment.

ANS: F PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

6. Current employees, management, and especially corporate culture are part of an organization's internal environment.

ANS: T PTS: 1 DIF: 1 REF: 56-57
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

7. The international dimension of the external environment represents events originating in foreign countries as well as opportunities for U.S. companies in other countries.

ANS: T PTS: 1 DIF: 1 REF: 58
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

8. In recent years, the most dramatic change in the international environment is the shift of economic power to Germany and France.

ANS: F PTS: 1 DIF: 1 REF: 58
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

9. The technological dimension of the external environment includes scientific and technological advancements in a specific industry as well as in society at large.

ANS: T PTS: 1 DIF: 1 REF: 58
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

10. The sociocultural dimension of the general environment includes societal norms and values.

ANS: T PTS: 1 DIF: 1 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

11. The international dimension includes scientific and technological advancements in a specific industry as well as in society at large.

ANS: F PTS: 1 DIF: 2 REF: 58
NAT: AACSB: Analytic | AACSB: Information Technologies MSC: F

12. According to Spotlight on Skills in Chapter 2, the Chinese concept of guanxi is a supportive, mutually beneficial connection between two people.

ANS: T PTS: 1 DIF: 1 REF: 59
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

13. According to Spotlight on Skills in Chapter 2, one of the rules of doing business in China is remembering that relationships are short-term.

ANS: F PTS: 1 DIF: 1 REF: 59
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

14. Economic problems in other parts of the world have a tremendous impact on U.S. companies.

ANS: T PTS: 1 DIF: 2 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

15. The economic dimension of the general environment represents the demographic characteristics.

ANS: F PTS: 1 DIF: 2 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

16. The economic dimension of the general environment includes consumer purchasing power.

ANS: T PTS: 1 DIF: 1 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

17. An example of part of the legal-political dimension of the general environment is a government's report on the decline of unemployment rate.

ANS: F PTS: 1 DIF: 3 REF: 61
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

18. President Clinton's signing of the telecommunications bill in 1996 deregulating the industry is an example of the legal-political dimension of the general environment.

ANS: T PTS: 1 DIF: 3 REF: 61
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

19. The task environmental dimension includes all elements that occur naturally on earth, including plants, animals, rocks, and natural resources such as air, water, and climate.

ANS: F PTS: 1 DIF: 2 REF: 63
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

20. Customers are the people and organizations in the environment who acquire goods or services from the organization.

ANS: T PTS: 1 DIF: 1 REF: 63
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

21. Recently, there has been strong concern about climate change such as global warming caused by greenhouse gases, most notably carbon dioxide.

ANS: T PTS: 1 DIF: 2 REF: 61
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

22. McDonalds, Burger King, and Checkers are competitors since all three sell fast food to individuals.

ANS: T PTS: 1 DIF: 2 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

23. The raw materials that organizations use to produce its outputs are provided by customers.

ANS: F PTS: 1 DIF: 1 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

24. Other organizations in the same industry or type of business that provide goods or services to the same set of customers are referred to as suppliers.

ANS: F PTS: 1 DIF: 1 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

25. The labor market is made up by people in the environment who can be hired to work for an organization.

ANS: T PTS: 1 DIF: 1 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

26. If Johnson Lumber provides trees for Westvaco Paper Manufacturing, then Johnson Lumber is considered a supplier for Westvaco.

ANS: T PTS: 1 DIF: 2 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

27. Organizations must manage environmental uncertainty to be effective.

ANS: T PTS: 1 DIF: 1 REF: 65
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

28. An organization experiences high uncertainty when internal factors gradually change over time.

ANS: F PTS: 1 DIF: 1 REF: 67

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

29. A merger is an effort to spot trends that enable managers to predict future events.

ANS: F PTS: 1 DIF: 2 REF: 68-69
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

30. Given the increasing environmental uncertainty, managers in partnering organizations are shifting from a partnership orientation to an adversarial orientation.

ANS: F PTS: 1 DIF: 2 REF: 67
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

31. A joint venture involves a strategic alliance or program by two or more organizations.

ANS: T PTS: 1 DIF: 1 REF: 69
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

32. Due to the stable environment and lack of technological change, mergers and joint ventures rarely occur in the U.S.

ANS: F PTS: 1 DIF: 1 REF: 68
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

33. The internal environment within which managers work includes corporate culture, sociocultural aspects, and customers.

ANS: F PTS: 1 DIF: 2 REF: 70
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

34. Culture can be defined as the ability to speak different languages.

ANS: F PTS: 1 DIF: 1 REF: 70
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

35. Physical symbols are associated with the surface level of organizational culture.

ANS: T PTS: 1 DIF: 2 REF: 70
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

36. Symbols, stories, heroes, slogans, and ceremonies combine to create an organization's culture.

ANS: T PTS: 1 DIF: 2 REF: 70-71
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

37. The set of key values, beliefs, and norms, that are shared by members of an organization are combined to create the symbols of an organization.

ANS: F PTS: 1 DIF: 2 REF: 71
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

38. A symbol is a figure that exemplifies the deeds, character, and attributes of a corporate culture.

ANS: F PTS: 1 DIF: 2 REF: 71

- NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F
39. A narrative based on rumors within the organization that can lead to destructive results if not carefully controlled by management is called an organizational story.
- ANS: F PTS: 1 DIF: 2 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F
40. A phrase or sentence that succinctly expresses a key corporate value is called a story.
- ANS: F PTS: 1 DIF: 1 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F
41. The mythical sales representative at Robinson Jewelers who delivered a wedding ring directly to the church because the ring had been ordered late is an example of a hero.
- ANS: T PTS: 1 DIF: 1 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F
42. A slogan is a phrase or sentence that succinctly expresses a key corporate value.
- ANS: T PTS: 1 DIF: 2 REF: 72
NAT: AACSB: Analytic | AACSB: HRM MSC: F
43. A ceremony is a planned activity at a special event that is conducted for the benefit of an audience.
- ANS: T PTS: 1 DIF: 1 REF: 73
NAT: AACSB: Analytic | AACSB: Motivation Concepts MSC: F
44. In adaptive cultures, managers are concerned with customers and processes that bring about useful change.
- ANS: T PTS: 1 DIF: 2 REF: 74
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F
45. The achievement culture emerges in an environment that requires fast response and high-risk decision-making.
- ANS: F PTS: 1 DIF: 2 REF: 74
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F
46. An achievement culture is found in an environment that is dynamic and requires high-risk decision-making.
- ANS: F PTS: 1 DIF: 2 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F
47. The involvement culture is suited to organizations that are concerned with serving specific customers in the external environment but without the intense need for flexibility and rapid change.
- ANS: F PTS: 1 DIF: 2 REF: 75
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

48. A results-oriented culture that values competitiveness, aggressiveness, personal initiative, and willingness to work long and hard to achieve results is called the achievement culture.

ANS: T PTS: 1 DIF: 2 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

49. The bureaucratic culture has an external focus and a consistency orientation for a dynamic environment.

ANS: F PTS: 1 DIF: 2 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

50. Corporate culture plays a key role in creating an organizational climate that enables learning and innovative responses to threats from the external environment, challenging new opportunities, or organizational crises.

ANS: T PTS: 1 DIF: 2 REF: 77
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

51. When an organization pays little attention to either cultural values or business results, it is unlikely to survive for long.

ANS: T PTS: 1 DIF: 1 REF: 78
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

52. When an organization pays little attention to cultural values and instead focuses on business results, success will be difficult to sustain in the long run.

ANS: T PTS: 1 DIF: 1 REF: 78
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

53. Success will be difficult to sustain in the long run when an organization puts emphasis on both cultural values and business results.

ANS: F PTS: 1 DIF: 1 REF: 78
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

54. In a high performance culture, organizations put high emphasis on both culture and solid business performance as drivers of organizational success.

ANS: T PTS: 1 DIF: 1 REF: 79
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

55. A cultural leader defines and uses signals and symbols to influence corporate culture.

ANS: T PTS: 1 DIF: 1 REF: 79
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

56. The cultural leader articulates a vision for the organizational culture that employees can believe in and that generates excitement.

ANS: T PTS: 1 DIF: 1 REF: 79
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

57. Employees of an organization are considered part of the general environment.

ANS: F PTS: 1 DIF: 2 REF: 57
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

58. In China, business tends to be more personal.

ANS: T PTS: 1 DIF: 2 REF: 58
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

59. It is expected that the Hispanic population in the United States will shrink slightly over the next 30 years.

ANS: F PTS: 1 DIF: 2 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

60. Over the last four years, the weakened U.S. economy has had a devastating impact on small business.

ANS: T PTS: 1 DIF: 2 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

61. In 2010, Canada was the country with the highest environmental performance index score.

ANS: F PTS: 1 DIF: 2 REF: 62
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

62. The most likely competitor for an automobile manufacturer would be a company in a different but related industry, such as a steel manufacturer.

ANS: F PTS: 1 DIF: 2 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

63. Labor market forces affecting organizations right now include the growing need for computer-literate knowledge workers and the necessity for continuous investment in human resources through recruitment, education, and training.

ANS: T PTS: 1 DIF: 2 REF: 64
NAT: AACSB: Analytic | AACSB: Information Technologies MSC: F

64. To be successful, companies should only involve top-level executives in boundary-spanning activities.

ANS: F PTS: 1 DIF: 1 REF: 67
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

65. As managers are increasingly shifting to a partnering orientation as opposed to one that is adversarial in nature, the use of information sharing has increased.

ANS: T PTS: 1 DIF: 1 REF: 67
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

66. Cultural values in organizations are rarely observed, but are rather deeply embedded to the extent that members are not consciously aware of them.

ANS: F PTS: 1 DIF: 2 REF: 70

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

67. In determining what cultural values are important for the organization, managers should consider the external environment as well as the company's strategy and goals.

ANS: T PTS: 1 DIF: 2 REF: 73
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

68. In today's business environment, most companies operate in a stable and rigid environment.

ANS: F PTS: 1 DIF: 1 REF: 76
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

69. Quadrant C represents organizations that are focused primarily on bottom-line results and pay little attention to organizational values.

ANS: T PTS: 1 DIF: 2 REF: 78
NAT: AACSB: Analytic | AACSB: Operations Management MSC: F

70. Companies in Quadrant D put high emphasis on both culture and solid business performance as drivers of organizational success.

ANS: T PTS: 1 DIF: 2 REF: 79
NAT: AACSB: Analytic | AACSB: Operations Management MSC: F

71. Quadrant A organizations represent the high-performance culture, which is based on solid organizational mission and purpose, and adaptive values that guide decisions and business practices.

ANS: F PTS: 1 DIF: 2 REF: 79
NAT: AACSB: Analytic | AACSB: Leadership Principles MSC: F

MULTIPLE CHOICE

1. The environments in which businesses operate are increasingly ____, requiring managers to be ready to react and respond to even subtle environmental shifts.
- static
 - universal
 - constant
 - dynamic
 - traditional

ANS: D PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

2. ____ includes all elements existing outside the boundary of the organization that have the potential to affect the organization.
- Organizational environment
 - Internal environment
 - Task environment
 - General environment
 - Technological environment

ANS: A PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

3. ____ system draws resources from the external environment and releases goods and services back to it.
- Production
 - Closed
 - Open
 - Information
 - Management

ANS: C PTS: 1 DIF: 2 REF: 57

NAT: AACSB: Analytic | AACSB: Creation of Value MSC: F

4. All of these are a part of an organization's task environment EXCEPT
- Customers
 - Labor markets
 - Competitors
 - Employers
 - Suppliers

ANS: D PTS: 1 DIF: 2 REF: 57

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

5. Which of these is NOT a part of an organization's general environment?
- Technological
 - Economic
 - Competitors
 - Legal-political
 - Sociocultural

ANS: C PTS: 1 DIF: 1 REF: 57

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

6. ____ is a part of Ford's, the U.S. auto manufacturer, task environment.
- Inflation rate
 - Chrysler
 - Securities and Exchange Commission (SEC), a government regulating agency
 - Amazon.com, an online bookseller
 - Ford's corporate culture

ANS: B PTS: 1 DIF: 2 REF: 56-57

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

7. ____ is a part of an organization's internal environment.
- Its customers
 - Its salespeople
 - The consumer price index
 - Its suppliers
 - Its competitors

ANS: B PTS: 1 DIF: 2 REF: 56

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

8. Molly Madison received "The Employee of the Month" Award at Internal Workings Remodeling Service in April. Molly would be considered a part of which of these for Internal Workings?
- General environment
 - Task environment

- c. Economic environment
- d. Internal environment
- e. Political activity

ANS: D PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

9. The ____ of the external environment represents events originating in foreign countries as well as opportunities for American companies in other countries.
- a. National dimension
 - b. Global dimension
 - c. International dimension
 - d. Japan's dimension
 - e. U.S. dimension

ANS: C PTS: 1 DIF: 1 REF: 58
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

10. Scientific and technological advancements in a specific industry as well as in society at large are included in which general environment dimension?
- a. Sociocultural dimension
 - b. Legal-political dimension
 - c. Economic dimension
 - d. Technological dimension
 - e. Corporate culture dimension

ANS: D PTS: 1 DIF: 1 REF: 58
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

11. Which dimension of the general environment represents the demographic characteristics, norms, customs, and values of the population within which the organization operates?
- a. Legal-political dimension
 - b. Economic dimension
 - c. Technological dimension
 - d. Corporate culture dimension
 - e. Sociocultural dimension

ANS: E PTS: 1 DIF: 1 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

12. When Miami Herald launches a Spanish-language newspaper, *El Nuevo Herald*, with articles emphasizing Hispanic, Cuban, and Latin American news and sports, it is responding to changes in ____ environment.
- a. sociocultural
 - b. technological
 - c. economic
 - d. competitors
 - e. suppliers

ANS: A PTS: 1 DIF: 2 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

13. ____ environment consists of demographic factors, such as population density.
- a. Technological
 - b. Sociocultural

- c. Legal-political
- d. Internal
- e. Economic

ANS: B PTS: 1 DIF: 2 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

14. Anyone considering doing business in China, according to Spotlight on Skills in Chapter 2, should keep in mind all of the following rules except:
- a. Business is always personal
 - b. Don't skip the small talk
 - c. Remember that relationships are not short-term
 - d. Be efficient with use of time
 - e. Make contact frequently

ANS: D PTS: 1 DIF: 1 REF: 59
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

15. Which of the following rules, according to Spotlight on Skills in Chapter 2, is about forging an emotional bond?
- a. Don't skip the small talk
 - b. Business is always personal
 - c. Remember that relationships are not short-term
 - d. Make contact frequently
 - e. Be efficient with use of time

ANS: A PTS: 1 DIF: 2 REF: 59
NAT: AACSB: Analytic | AACSB: Leadership Principles MSC: F

16. Lying at the heart of Chinese culture, _____ is a supportive, mutually beneficial connection between two people.
- a. kaizen
 - b. ganqing
 - c. renqing
 - d. kansei
 - e. guanxi

ANS: E PTS: 1 DIF: 2 REF: 59
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

17. The general environment dimension that includes consumer purchasing power, the unemployment rate, and interest rates is called the
- a. legal-political dimension.
 - b. sociocultural dimension.
 - c. technological dimension.
 - d. economic dimension.
 - e. task dimension.

ANS: D PTS: 1 DIF: 2 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

18. A government inspection has required your company to upgrade the safety equipment in the manufacturing process of ice creamery. What dimension of the external environment has influenced these upgrades?
- a. Technological

- b. Legal-political
- c. Task
- d. Sociocultural
- e. Economic

ANS: B PTS: 1 DIF: 2 REF: 61
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

19. The ____ dimension of the general environment includes federal, state, and local government regulations.
- a. technological
 - b. legal-political
 - c. economic
 - d. sociocultural
 - e. international

ANS: B PTS: 1 DIF: 1 REF: 61
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

20. An interest group that works within the legal-political framework to influence companies to behave in socially responsible ways is called a(n)
- a. pressure group.
 - b. legal group.
 - c. political influence group.
 - d. social group.
 - e. none of these.

ANS: A PTS: 1 DIF: 1 REF: 61
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

21. Which of the following dimensions of the general environment includes all elements that occur naturally on earth?
- a. Sociocultural dimension
 - b. Technological dimension
 - c. Economic dimension
 - d. Natural dimension
 - e. Environmental dimension

ANS: D PTS: 1 DIF: 2 REF: 61
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

22. The people and organizations in the environment who acquire goods or services from the organization are
- a. competitors.
 - b. suppliers.
 - c. customers.
 - d. employees.
 - e. potential employees.

ANS: C PTS: 1 DIF: 1 REF: 63
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

23. Integrated Computers, Inc. wants to compile a profile of the customer it will target in its next promotional mailing. What environment would this be found in?
- a. Internal environment

- b. Task environment
- c. Work environment
- d. General environment
- e. None of these

ANS: B PTS: 1 DIF: 2 REF: 63
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

24. For Southwest Airlines, all of the following can be suppliers EXCEPT
- a. Exxon (providing jet fuel).
 - b. Citibank (providing finances).
 - c. Delta Airlines (providing competition).
 - d. Boeing (providing planes).
 - e. All of these are suppliers for Southwest Airlines.

ANS: C PTS: 1 DIF: 3 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

25. ____ is(are) included in an organization's task environment.
- a. Suppliers
 - b. Accounting procedures
 - c. Technology
 - d. Government
 - e. Demographic characteristics

ANS: A PTS: 1 DIF: 2 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

26. The ____ represents people in the environment who can be hired to work for the organization.
- a. competitors
 - b. labor market
 - c. suppliers
 - d. customers
 - e. government

ANS: B PTS: 1 DIF: 1 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

27. Ally's Applesauce is in the process of hiring sixty new workers. The personnel department has a large pool of unskilled labor to draw from due to the high unemployment rate in the local area. Which dimension of the external environment is involved here?
- a. Sociocultural
 - b. Competitors
 - c. Technological
 - d. Labor market
 - e. Legal-political

ANS: D PTS: 1 DIF: 2 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

28. The internal environment within which managers work includes all of the following EXCEPT
- a. corporate culture
 - b. production technology
 - c. organization structure
 - d. physical facilities

e. labor market

ANS: E PTS: 1 DIF: 2 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

29. Which of the following roles are assumed by people and/or departments that link and coordinate the organization with key elements in the external environment?
- Figurehead
 - Liaison
 - Boundary-spanning
 - Disturbance handler
 - Leader

ANS: C PTS: 1 DIF: 2 REF: 67
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

30. Which of the following is NOT a part of adapting the organization to changes in the environment for coping with high environmental uncertainty?
- Boundary-spanning roles
 - Advertising/public relations
 - Mergers/joint ventures
 - Interorganizational partnerships
 - All of these are a part of organizational response in adapting the organization to changes in the environment.

ANS: B PTS: 1 DIF: 2 REF: 67
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

31. Based on the notion that organizations are dealing with a very turbulent and uncertain external environment, more organizations are requiring ____ to perform boundary-spanning activities.
- top leaders
 - middle managers
 - line managers
 - all employees
 - suppliers

ANS: D PTS: 1 DIF: 2 REF: 67
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

32. Many organizations are adapting to the environment by developing more of a(n) ____ relationship rather than a(n) ____ relationship with competitors.
- adversarial, partnership
 - partnership, adversarial
 - strategic, competitive
 - competitive, strategic
 - none of these

ANS: B PTS: 1 DIF: 2 REF: 67
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

33. When two or more organizations combine to become one, it is referred to as a
- joint venture.
 - flexible structure.
 - mechanistic structure.
 - merger.

e. inorganic venture.

ANS: D PTS: 1 DIF: 1 REF: 68-69
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

34. Culture can be defined as
- the set of key values, beliefs, understandings, and norms shared by members of an organization
 - the ability to speak different languages
 - an object, act, or event that conveys meaning to others
 - a narrative based on true events that is repeated frequently and shared by organizational employees
 - none of these

ANS: A PTS: 1 DIF: 1 REF: 70
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

35. The level of corporate culture which cannot be seen but can be discerned from how people explain and justify what they do is
- Invisible artifacts
 - Expressed values and beliefs
 - Slogans and ceremonies
 - Dress and office layout
 - None of these

ANS: B PTS: 1 DIF: 1 REF: 70
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

36. The level of corporate culture in which values are so deeply embedded that members are no longer consciously aware of them is
- Invisible artifacts
 - Expressed values and beliefs
 - Underlying assumptions and deep beliefs
 - Dress and office layout
 - Slogans and ceremonies

ANS: B PTS: 1 DIF: 1 REF: 71
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

37. ____ are associated with surface level of organizational culture.
- Values
 - Norms
 - Manners of dress
 - Beliefs
 - All of these

ANS: C PTS: 1 DIF: 2 REF: 70
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

38. Which of the following would be considered a visual representation(s) of a company's corporate culture?
- All department heads have an executive office.
 - Each department has an award plaque for employee of the month.
 - All employees are dressed in professional business attire.
 - Top level executives drive company owned sports car.

e. All of these.

ANS: E PTS: 1 DIF: 2 REF: 70
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

39. An object, act, or event that conveys meaning to others is referred to as a
- symbol.
 - slogan.
 - story.
 - hero.
 - culture.

ANS: A PTS: 1 DIF: 1 REF: 71
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

40. Symbols, stories, and heroes are important because they
- entertain executive level management.
 - address the concerns of government.
 - acquaint customers to the organization.
 - communicate the significant values of an organization.
 - give employees something to talk about.

ANS: D PTS: 1 DIF: 1 REF: 70
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

41. ____ is a narrative based on true event that is repeated frequently and shared by organizational employees.
- Symbol
 - Slogan
 - Story
 - Hero
 - Culture

ANS: C PTS: 1 DIF: 1 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

42. A figure who exemplifies the deeds, character, and attributes of a corporate culture is referred to as a
- symbol.
 - story.
 - slogan.
 - hero.
 - culture.

ANS: D PTS: 1 DIF: 1 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

43. Heroes are important to an organization due to the fact that they
- exemplify key values of the organization.
 - exemplify a strong corporate culture.
 - serve as examples to other employees.
 - all of these.
 - none of these.

ANS: D PTS: 1 DIF: 2 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

44. A ____ represents a phrase or sentence that succinctly expresses a key corporate value.
- symbol
 - story
 - culture
 - hero
 - slogan

ANS: E PTS: 1 DIF: 1 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

45. McDonald's "We Love to See You Smile" represents a
- ceremony.
 - symbol.
 - ritual.
 - slogan.
 - political activity.

ANS: D PTS: 1 DIF: 2 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

46. "Chiquita. Perfect for Life." was Chiquita's
- ceremony.
 - slogan.
 - symbol.
 - ritual.
 - all of these.

ANS: B PTS: 1 DIF: 2 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: A

47. If a company emphasizes that "no purchase is complete until the customer is satisfied," then it's
- utilizing a symbol.
 - communicating its values to customers.
 - using a slogan to present their values to customers and employees.
 - utilizing a hero for the purpose of conveying values.
 - using customers to harass the employees.

ANS: C PTS: 1 DIF: 1 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

48. Culture tends to differ between ____, but appears similar within ____.
- organizations, industries
 - people, organizations
 - groups, industries
 - organizations, groups
 - industries, geographical regions

ANS: A PTS: 1 DIF: 2 REF: 73
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

49. All of the following are types of corporate cultures except
- adaptability culture.
 - clan culture.
 - consistency culture.
 - involvement culture.

e. achievement culture.

ANS: B PTS: 1 DIF: 2 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

50. The adaptability culture emerges in an environment that requires ____ response and ____ decision making.
- fast; high-risk
 - fast; low-risk
 - slow; high-risk
 - slow; low-risk
 - regulated; low-risk

ANS: A PTS: 1 DIF: 3 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

51. Which of the following cultures is suited to organizations that are concerned with servicing specific customers in the external environment but without the intense need for flexibility and rapid change?
- Adaptability culture
 - Clan culture
 - Achievement culture
 - Consistency culture
 - None of these

ANS: C PTS: 1 DIF: 2 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

52. The involvement culture has a(n) ____ focus on the involvement and participation of employees to rapidly meet changing needs from the environment.
- external
 - internal
 - structural
 - competitive
 - technological

ANS: B PTS: 1 DIF: 1 REF: 75
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

53. The consistency culture has a(n) ____ focus and an orientation for a ____ environment.
- external; stable
 - external; dynamic
 - internal; stable
 - internal; dynamic
 - structural; dynamic

ANS: C PTS: 1 DIF: 3 REF: 75
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

54. Which of the following cultures values and rewards a methodical, rational, orderly way of doing things?
- Achievement culture
 - Involvement culture
 - Accomplishment culture
 - Consistency culture
 - Adaptability culture

ANS: D PTS: 1 DIF: 2 REF: 75
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

55. ____ plays a key role in creating an organizational climate that enables learning and innovative responses to threats from the external environment, challenging new opportunities, or organizational crises.
- Mission statement
 - Vision statement
 - Competitive intelligence
 - Employee training
 - Corporate culture

ANS: E PTS: 1 DIF: 2 REF: 77
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

56. What is likely to happen to organizations that pay little attention to either cultural values or business results?
- Unlikely to survive for long
 - No help for performance during hard times
 - Profitable in short run but difficult to sustain over long term
 - High performance
 - none of these

ANS: A PTS: 1 DIF: 2 REF: 78
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

57. What is likely to happen to organizations that pay little attention to cultural values and instead stress business results?
- Unlikely to survive for long
 - No help for performance during hard times
 - Profitable in short run but difficult to sustain over long term
 - High performance
 - none of these

ANS: C PTS: 1 DIF: 2 REF: 78
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

58. A high-performance culture is based on all of the following EXCEPT
- solid organizational mission
 - shared adaptive values
 - individual employee ownership of bottom-line results
 - individual employee ownership of organization's cultural backbone
 - singular focus on business results

ANS: E PTS: 1 DIF: 1 REF: 79
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

59. In a study by Kotter and Heskett evidence is provided to support the claim that ____ is important for performance.
- managing cultural values
 - leading partnerships within an industry
 - surveying the external environment
 - managing client relationships as boundary spanners
 - empowering employees

ANS: A PTS: 1 DIF: 2 REF: 79
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

60. Blockbuster's weakened performance in recent years stems from which of the following?
- Weak internal culture
 - Inability to respond to the changing environment
 - Inability to become environmentally sustainable
 - Growth in competition from overseas
 - Weak supply chain management

ANS: B PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

61. Executives at One World Advertising have learned that it is necessary to establish strong personal relationships and emotional bonds with Chinese business partners. This relates most closely to which dimension of the general business environment?
- Natural
 - Sociocultural
 - Legal/Political
 - International
 - Internal

ANS: D PTS: 1 DIF: 3 REF: 58
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

62. Stan is the owner of a small marketing firm. He designs ad campaigns that specifically target demographic groups within U.S. markets. Which demographic category currently has the largest market size?
- Baby boomers
 - Generation X
 - Generation Y
 - Tweeners
 - In-betweeners

ANS: A PTS: 1 DIF: 3 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

63. Animal-One is a campaign organization that drums up public awareness about the use of animals in cosmetic testing. The group condemns traditional cosmetic companies while promoting smaller, all-natural companies that do not test on animals. Animal-One can best be described as a(n):
- Whistle-blower
 - Government organization
 - Pressure group
 - Sustainable organization
 - Small business

ANS: C PTS: 1 DIF: 3 REF: 61
NAT: AACSB: Analytic | AACSB: Ethical Responsibilities MSC: A

64. In response to pressure from environmental advocates, organizations have become increasingly sensitive to diminishing:
- Natural resources
 - Economic resources
 - Financial resources
 - Human resources

e. Technology resources

ANS: A PTS: 1 DIF: 2 REF: 61
NAT: AACSB: Analytic | AACSB: Ethical Responsibilities MSC: F

65. SweetTooth Candies is a U.S.-based company that manufactures and distributes candy bars and snack foods globally. The company sources most of its cocoa and sugar from South American companies. This business relationship highlights which dimension of the task environment?
- Customers
 - Competitors
 - Labor market
 - Culture
 - Suppliers

ANS: E PTS: 1 DIF: 3 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

66. _____ means that managers do not have sufficient information about environmental factors to understand and predict environmental needs and changes.
- Adaptation
 - Risk
 - Uncertainty
 - Knowledge
 - Education

ANS: C PTS: 1 DIF: 2 REF: 65
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

67. Jefferson and Squire is an advertising firm that is viewed as having a fast-paced and posh corporate culture. The company uses bold coloring with expensive accents in all office décor. This exemplifies which level of corporate culture?
- Visible artifacts
 - Underlying assumptions
 - Expressed values
 - Heroes
 - Ceremonies

ANS: A PTS: 1 DIF: 3 REF: 70
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

68. Roadtec Tire Company has a corporate culture that emphasizes an internal focus on the involvement and participation of employees, placing high value on meeting the needs of employees. The company is known for its caring, family-like atmosphere. Which type of corporate culture does Roadtec possess?
- Adaptability culture
 - Achievement culture
 - Consistency culture
 - Involvement culture
 - Matrix culture

ANS: D PTS: 1 DIF: 3 REF: 75
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

69. Research indicates that the one factor that increases a company's value the most is:
- Investment in research and development

- b. People and how they are treated
- c. Technology investment
- d. A centralized organizational structure
- e. Attention to values

ANS: B PTS: 1 DIF: 2 REF: 77
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

70. Terry manages a food distribution company that is highly focused on creating a strong cohesive culture, but the company does not tie organizational values directly to goals and desired business results. Terry's company most likely falls in which quadrant of organizational performance and culture?
- a. Quadrant A
 - b. Quadrant B
 - c. Quadrant C
 - d. Quadrant D
 - e. Quadrant E

ANS: B PTS: 1 DIF: 3 REF: 78
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

71. James, a casino manager, defines and uses signals and symbols to influence corporate culture by communicating central values to employees. As such, James can be described as what type of leader?
- a. Egalitarian leader
 - b. Totalitarian leader
 - c. Cultural leader
 - d. Servant leader
 - e. Transitional leader

ANS: C PTS: 1 DIF: 2 REF: 79
NAT: AACSB: Analytic | AACSB: Leadership Principles MSC: A

CASE

Scenario - Nikki Williams

Nikki Williams was working as the sales manager for Industrial Instruments. Some of the sales executives were showing signs of burnout. They were losing interest in their jobs and were no longer motivated to gain new accounts. The reward system focused on old reliable accounts, but Nikki was now under pressure to expand the customer base. Nikki had recently been to a seminar on corporate value systems. She recognized that the company's CEO wanted to change the way employees thought about the firm and the way they related to one another. She further recognized that a lasting solution to her problem required a fundamental shift in perception.

1. To affect the value system, Nikki will be working primarily with
 - a. the legal-political dimension.
 - b. the sociocultural dimension.
 - c. the internal cultural dimension.
 - d. the economic dimension.
 - e. the external dimension.

ANS: c

PTS: 1 DIF: 1 REF: 70-71

NAT: AACSB: Analytic | AACSB: Group Dynamics
MSC: A

KEY: Scenario Questions

2. Nikki could use the following to affect the corporate culture:
- structured symbolic logic.
 - stories about political heroes.
 - stories about company officers, stressing a value.
 - stories about economic depression.
 - all of these.

ANS: c

PTS: 1 DIF: 2 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics
MSC: A

KEY: Scenario Questions

3. Nikki could hold _____, which are planned activities at special events to provide examples of company values.
- ceremonies
 - slogans
 - symbols
 - pictures of heroes
 - none of these

ANS: a

PTS: 1 DIF: 1 REF: 73
NAT: AACSB: Analytic | AACSB: Group Dynamics
MSC: A

KEY: Scenario Questions

4. Industrial Instruments operates in an environment that requires fast response and high-risk decision making. Which type of culture may be appropriate here?
- Consistency
 - Adaptability
 - Clan
 - Achievement
 - Involvement

ANS: b

PTS: 1 DIF: 1 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics
MSC: A

KEY: Scenario Questions

Scenario - Melissa Hill

Melissa Hill, sales manager for One-Hit-Wonder Record Company, was trying to create a new strategy to turn around the declining record sales the company was facing. Melissa needed to find a way to find out what the customers really wanted, since One-Hit-Wonder didn't have accurate information like the competitors did. It was imperative that she find the correct strategy and information because the company was in financial trouble. The company's President wanted all employees to help find information and work as a team to develop better relationships that might help the company. He also stated that he wanted the company to remain an independent company. Melissa realized that through hard work and team efforts, the company could get back on its feet as soon as they got reliable information.

5. Melissa will be working primarily with
- the legal-political dimension.
 - the labor market.
 - the internal cultural dimension.
 - pressure groups.
 - the sociocultural dimension.

ANS: e

PTS: 1 DIF: 1 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence KEY: Scenario Questions
MSC: A

6. The problem Melissa faced was
- culture gap.
 - structural instability.
 - environmental uncertainty.
 - company transformation.
 - legal problems.

ANS: c

PTS: 1 DIF: 1 REF: 65
NAT: AACSB: Analytic | AACSB: Environmental Influence KEY: Scenario Questions
MSC: A

7. Which of the following would be the best way for One-Hit-Wonder to decrease its uncertainty?
- To create boundary-spanning roles
 - To eliminate interorganizational partnerships
 - To merge with another company
 - To create a joint venture
 - None of these

ANS: a

PTS: 1 DIF: 1 REF: 67
NAT: AACSB: Analytic | AACSB: Environmental Influence KEY: Scenario Questions
MSC: A

8. Which of the following best describes One-Hit-Wonder's culture?
- Clan culture
 - Achievement culture
 - Consistency culture

- d. Adaptability culture
- e. None of these

ANS: d

PTS: 1 DIF: 1 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics
MSC: A

KEY: Scenario Questions

COMPLETION

1. The external _____ includes all elements existing outside the boundary of the organization that have the potential to affect the organization.

ANS: organizational environment

PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

2. The _____ is the outer layer that is widely dispersed and affects organizations indirectly.

ANS: general environment

PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

3. A(n) _____ includes the elements within the organization's boundaries.

ANS: internal environment

PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

4. The _____ environment includes the sectors that conduct day-to-day transactions within the organization.

ANS: task

PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

5. An example of _____ dimension is that Dixon Ticonderoga Co. is in trouble because of increased competition especially from low-cost pencil companies in China.

ANS: international

PTS: 1 DIF: 2 REF: 58
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: A

6. The _____ environment represents an ever-changing and uneven playing field compared with domestic environment.

ANS: global

PTS: 1 DIF: 2 REF: 58
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

7. The _____ dimension of the general environment includes scientific and technological advancements in a specific industry and in society.

ANS: technological

PTS: 1 DIF: 2 REF: 58
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

8. The _____ dimension of the general environment represents the demographic characteristics as well as the norms, customs, and values of the general population.

ANS: sociocultural

PTS: 1 DIF: 2 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

9. Lying at the heart of Chinese culture, _____ is a supportive, mutually beneficial connection between two people.

ANS: guanxi

PTS: 1 DIF: 2 REF: 59
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

10. The general economic health of the country or region in which the organization operates is represented by the _____ dimension.

ANS: economic

PTS: 1 DIF: 2 REF: 60
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

11. The _____ dimension includes government regulations at the local, state, and federal levels.

ANS: legal-political

PTS: 1 DIF: 2 REF: 61
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

12. An interest group that works within the legal-political framework to influence companies to behave in socially responsible ways, is called a(n) _____.

ANS: pressure group

PTS: 1 DIF: 2 REF: 61
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

13. Included in a(n) _____ environment are sectors that have a direct working relationship with the organization, among customers, competitors, suppliers, and the labor market.

ANS: task

PTS: 1 DIF: 2 REF: 63
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

14. The _____ of the general environment includes all elements that occur naturally on earth.

ANS: natural dimension

PTS: 1 DIF: 2 REF: 61
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

15. Managers today are concerned because technologically speaking, the _____ has given more power to customers and enabled them to directly impact an organization.

ANS: Internet

PTS: 1 DIF: 2 REF: 63
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

16. _____ are organizations in the same industry that provide goods or services to the same set of customers.

ANS: Competitors

PTS: 1 DIF: 2 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

17. People and organizations that provide raw materials the organization uses to produce its output are called _____.

ANS: suppliers

PTS: 1 DIF: 2 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

18. The _____ represents people in the environment who can be hired to work for the organization.

ANS: labor market

PTS: 1 DIF: 2 REF: 64
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

19. Not having sufficient information about environmental factors to understand and predict environmental needs and changes is called _____.

ANS: uncertainty

PTS: 1 DIF: 2 REF: 65

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

20. When environmental factors change rapidly, the organization experiences _____ uncertainty.

ANS: very high

PTS: 1 DIF: 2 REF: 65|67

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

21. _____, _____, and _____ are three types of strategies that organizations can use to adapt to environmental changes.

ANS:

boundary-spanning roles; interorganizational partnerships; joint ventures

boundary-spanning roles; interorganizational partnerships; mergers

PTS: 1 DIF: 2 REF: 67

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

22. A(n) _____ is when two or more organizations combine to make one organization.

ANS: merger

PTS: 1 DIF: 2 REF: 68-69

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

23. A(n) _____ involves a strategic alliance or program by two or more organizations.

ANS: joint venture

PTS: 1 DIF: 2 REF: 69

NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

24. _____ can be defined as the set of key values, beliefs, understandings, and norms shared by members of an organization.

ANS: Culture

PTS: 1 DIF: 2 REF: 70

NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

25. An object, act, or event that conveys meaning to others is known as a(n) _____.

ANS: symbol

PTS: 1 DIF: 2 REF: 71

NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

26. A(n) _____ is a narrative based on true events that is repeated frequently and shared among organizational employees.

ANS: story

PTS: 1 DIF: 2 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

27. The deeds of _____ are extraordinary, but not so extraordinary that other employees cannot perform the same deeds.

ANS: heroes

PTS: 1 DIF: 2 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

28. A slogan is a phrase or a sentence that concisely communicates a key corporate _____.

ANS: value

PTS: 1 DIF: 2 REF: 72
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

29. Adaptability culture emerges in an environment that requires _____ response and _____ decision making.

ANS: fast; high-risk

PTS: 1 DIF: 2 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

30. A culture that is a results-oriented, that values competitiveness, aggressiveness, personal initiative, and willingness to work long and hard to achieve results is called _____.

ANS: achievement culture

PTS: 1 DIF: 2 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

31. The _____ culture places high value on HR, and the organization may be characterized by a caring, family-like atmosphere.

ANS: involvement

PTS: 1 DIF: 2 REF: 75
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

32. Organizations with internal focuses and consistency orientations for a stable environment should create a(n) _____ culture.

ANS: consistency

PTS: 1 DIF: 2 REF: 75
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

33. _____ plays a key role in creating an organizational climate that enables learning and innovative responses to threats from the external environment, challenging new opportunities, or _____ organizational crises.

ANS: Corporate culture

PTS: 1 DIF: 2 REF: 77
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

34. A primary way in which managers shape cultural norms and values to build a high-performance culture is through _____.

ANS: cultural leadership

PTS: 1 DIF: 2 REF: 79
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

35. A(n) _____ defines and uses signals and symbols to influence corporate culture.

ANS: cultural leader

PTS: 1 DIF: 2 REF: 79
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

SHORT ANSWER

1. List the six dimensions of the general environment.

ANS:

Technological, sociocultural, economic, legal/political, international, and natural.

PTS: 1 DIF: 2 REF: 57
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

2. List three visible artifacts of an organization's culture.

ANS:

Possible responses would include: dress, heroes, office layout, symbols, slogans, and ceremonies.

PTS: 1 DIF: 2 REF: 70
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

3. List two reasons why ceremonies are held in an organization.

ANS:

Possible responses would include: to reinforce valued accomplishments, to create a bond among people by allowing them to share an important event, and to anoint and celebrate heroes.

PTS: 1 DIF: 2 REF: 73
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

4. Name one of the two dimensions that the categories of culture are based on.

ANS:

Responses will be either (1) the extent to which the external environment requires flexibility or stability, or (2) the extent to which a company's strategic focus is internal or external.

PTS: 1 DIF: 3 REF: 74
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

5. Name one of the two dimensions that organizations with high-performance cultures emphasize.

ANS:
cultural values and business performance

PTS: 1 DIF: 2 REF: 77
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

ESSAY

1. Define the organizational task environment. List the four things this environment includes that could influence an organization.

ANS:
The task environment include the sectors that conduct day-to-day transactions with the organization and directly influences its basic operations and performance.

The environment includes: competitors, suppliers, customers, and the labor market.

PTS: 1 DIF: 2 REF: 56
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

2. Name the six dimensions of the general environment and describe each dimension.

ANS:
The six dimensions of the general environment are international, sociocultural, economic, legal-political, technological, and natural. International dimension refers to events originating in foreign countries as well as opportunities for American companies in other countries. Technological dimension refers to the scientific and technological advancements within a specific industry and society. Sociocultural dimension represents the demographic characteristics of the general population. Economic dimension represents the general economic health of the country or area in which the organization operates. Legal-political dimension refers to the local, state, and federal regulations and the political activities designed to influence company behavior. The natural dimension includes all elements that occur naturally on earth, including plants, animals, rocks, and natural resources such as air, water, and climate.

PTS: 1 DIF: 2 REF: 57-62
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

3. Briefly describe the task environment and its four primary sectors.

ANS:
The task environment is the portion of the external environment that directly influences the organization's operations and performance. The task environment is made up of customers, competitors, suppliers, and the labor market. These sectors typically conduct day-to-day transactions with the organization.

PTS: 1 DIF: 2 REF: 63
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

4. What are the three basic strategies for dealing with increased uncertainty with respect to customers, competitors, suppliers, or government regulations?

ANS:

The three basic strategies are boundary-spanning roles, interorganizational partnerships, and mergers or joint ventures.

PTS: 1 DIF: 2 REF: 67
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

5. Based on the model in the text, discuss the relationship between external environmental characteristics and uncertainty.

ANS:

The external environment can be evaluated along two dimensions. First, one can evaluate (high to low) a number of factors in the environment. Second, one can evaluate (high to low) the rate of change of those factors. When both variables are low, low uncertainty characterizes the external environment. When both variables are high, the external environment is marked by a high level of uncertainty. A highly uncertain environment requires organizations to adapt and/or attempt to influence the external environment.

PTS: 1 DIF: 3 REF: 67
NAT: AACSB: Analytic | AACSB: Environmental Influence MSC: F

6. Discuss the different levels of culture.

ANS:

Culture can be analyzed at two levels. At the surface, there are the visible representations of culture, such as ceremonies and patterns of behaviors. These representations are easily observable. Visible artifacts are all the things one can see, hear, and observe by watching members of the organization. At a deeper level are values and beliefs. These ideas and values can be identified through an analysis of such things as symbols and stories.

PTS: 1 DIF: 3 REF: 70
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

7. List the four categories of culture and describe what kind of environments each fit best in.

ANS:

Adaptability culture fits best in fast response and high-risk decision making environments. Achievement culture fits best in results-oriented cultures that value competitiveness, aggressiveness, personal initiative, and willingness to work long and hard to achieve results. Involvement culture fits best in internal and employee-need focused environments where the organization is seen as having a caring, family-like atmosphere. Consistency culture fits best in internal focused organization that has a consistency orientation for a stable environment.

PTS: 1 DIF: 2 REF: 74-75
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F

8. Briefly discuss the two key areas that cultural leaders influence culture.

ANS:

The cultural leader articulates a vision for the organizational culture that employees can believe in and that generates excitement. This means the leader defines and communicates central values that employees believe in and will rally around.

The cultural leader heeds the day-to-day activities that reinforce the cultural vision. The leader makes sure that work procedures and rewards systems match and reinforce the values. Actions speak louder than words, so cultural leaders "walk their talk."

PTS: 1 DIF: 2 REF: 79-80
NAT: AACSB: Analytic | AACSB: Group Dynamics MSC: F