Organization Theory and Design 12th edition Daft Test Bank

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1. A _____ represents a result or end point toward which organizational efforts are directed.

a. goal
b. strategy
c. resource
d. structure

ANSWER: a
RATIONALE: Feedback: A goal represents a result or end point toward which organizational efforts are directed.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-01 - 02-01
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: The Role of Strategic Direction in Organization Design
KEYWORDS: Bloom's: Remember

2. Which of the following is an internal factor that is examined by top management to study an organization's effectiveness?

a. Opportunities
b. Weaknesses
c. Uncertainty
d. Resource availability

ANSWER: b
RATIONALE: Feedback: Managers can study an organization's effectiveness by examining internal factors such as the organization's strengths, weaknesses, distinctive competence, leader style, and past performance.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-01 - 02-01
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: The Role of Strategic Direction in Organization Design
KEYWORDS: Bloom's: Remember

3. _____ means that all the organization's energies and resources are directed toward a focused, unifying, and compelling overall goal.

a. Strategic intent
b. The resource-based approach
c. Coalitional management
d. The stakeholder approach

ANSWER: a
RATIONALE: Feedback: Strategic intent means that all an organization's energies and resources are directed toward a focused, unifying, and compelling overall goal.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Remember

4. The overall goal for an organization is also called the:

a. operating goal.

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b. decision guideline.
c. mission.
d. strategy.

ANSWER: c
RATIONALE: Feedback: The overall goal for an organization is often called the mission—the organization's reason for existence.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Remember

5. Which of the following describes an organization's shared values and beliefs and its reason for being?
a. Strategy
b. The mission
c. Policy
d. Procedure

ANSWER: b
RATIONALE: Feedback: The mission describes an organization's shared values and beliefs and its reason for being.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Remember

6. _____ refers to what sets an organization apart from others and provides it with a distinctive edge for meeting customer or client needs in the marketplace.
a. Operational plan
b. A social construct
c. The mission statement
d. Competitive advantage

ANSWER: d
RATIONALE: Feedback: Competitive advantage refers to what sets an organization apart from others and provides it with a distinctive edge for meeting customer or client needs in the marketplace.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Remember

7. A company's _____ refers to something an organization does especially well in comparison to its competitors.
a. strategic intent
b. mission statement
c. core competence
d. balanced scorecard

ANSWER: c

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RATIONALE: Feedback: A company's core competence is something an organization does especially well in comparison to its competitors.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Remember

8. _____ describe specific measurable outcomes and are often concerned with the short run.
   a. Official goals
   b. Visionary goals
   c. Strategic goals
   d. Operating goals

ANSWER: d
RATIONALE: Feedback: Operating goals describe specific measurable outcomes and are often concerned with the short run.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Remember

9. Which of the following operating goals pertains to the acquisition of needed material and capital from the environment?
   a. Resource goals
   b. Performance goals
   c. Market goals
   d. Productivity goals

ANSWER: a
RATIONALE: Feedback: Resource goals pertain to the acquisition of needed material and financial resources from the environment.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Remember

10. _____ pertains to the training, promotion, safety, and growth of individuals working in an organization.
   a. Market share
   b. Innovation
   c. Industrial expansion
   d. Employee development

ANSWER: d
RATIONALE: Feedback: Employee development pertains to the training, promotion, safety, and growth of employees. It includes both managers and workers.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic

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TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Remember

11. _____ pertain to internal flexibility and readiness to adapt to unexpected changes in the environment.
    a. Market goals
    b. Profitability goals
    c. Innovation goals
    d. Productivity goals

ANSWER: c
RATIONALE: Feedback: Innovation goals pertain to internal flexibility and readiness to adapt to unexpected changes in the environment. Innovation goals are often defined with respect to the development of specific new services, products, or production processes.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Remember

12. _____ and mission statements describe a value system for an organization and set an overall purpose and vision.
    a. Profitability goals
    b. Official goals
    c. Operational goals
    d. Productivity goals

ANSWER: b
RATIONALE: Feedback: Official goals and mission statements describe a value system for an organization and set an overall purpose and vision; operating goals represent the primary tasks of an organization.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Remember

13. _____ involves building an alliance of people who support a manager's goals and can influence other people to accept and work toward them.
    a. Directive management
    b. Coalitional management
    c. Severance management
    d. Division management

ANSWER: b
RATIONALE: Feedback: Coalitional management involves building an alliance of people who support a manager's goals and can influence other people to accept and work toward them.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-03 - 02-03
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Understand

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14. A _____ is a plan for interacting with the competitive environment to achieve organizational goals.

a. vision statement
b. mission statement
c. policy
d. strategy

ANSWER: d
RATIONALE: Feedback: A strategy is a plan for interacting with the competitive environment to achieve organizational goals.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Two Frameworks for Selecting Strategy and Design
KEYWORDS: Bloom's: Remember

15. In the context of Porter's strategy model, a(n) ____ can reduce rivalry with competitors and fight off the threat of substitute products because customers are loyal to a company's brand.

a. low-cost leadership strategy
b. consolidative strategy
c. integration strategy
d. differentiation strategy

ANSWER: d
RATIONALE: Feedback: A differentiation strategy can reduce rivalry with competitors and fight off the threat of substitute products because customers are loyal to a company's brand.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Two Frameworks for Selecting Strategy and Design
KEYWORDS: Bloom's: Remember

16. In the context of Porter's strategy model, a(n) ____ is concerned primarily with stability rather than taking risks or seeking new opportunities for innovation and growth.

a. prospector strategy
b. low-cost leadership strategy
c. differentiation strategy
d. innovation strategy

ANSWER: b
RATIONALE: Feedback: A low-cost leadership strategy is concerned primarily with stability rather than taking risks or seeking new opportunities for innovation and growth.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Two Frameworks for Selecting Strategy and Design
KEYWORDS: Bloom's: Remember

17. In Miles and Snow's strategy typology, the prospector strategy:

a. attempts to maintain a stable business environment by finding a middle ground between stability and innovation.

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b. most closely resembles Porter's low-cost leadership strategy.

c. responds to environmental threats in an ad hoc fashion without revealing a clear strategy.

d. seeks innovation or risk taking and is therefore best suited to a dynamic environment.

ANSWER: d

RATIONALE: Feedback: The prospector strategy is to innovate, take risks, seek out new opportunities, and grow. This strategy is suited to a dynamic, growing environment, where creativity is more important than efficiency.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Two Frameworks for Selecting Strategy and Design

KEYWORDS: Bloom's: Understand

18. According to Miles and Snow's strategy typology, the ____ is concerned with stability or retrenchment.

a. defender strategy

b. prospector strategy

c. differentiation strategy

d. innovation strategy

ANSWER: a

RATIONALE: Feedback: The defender strategy is almost the opposite of the prospector. Rather than taking risks and seeking out new opportunities, the defender strategy is concerned with stability or even retrenchment.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Two Frameworks for Selecting Strategy and Design

KEYWORDS: Bloom's: Remember

19. According to Miles and Snow's strategy typology, the ____ tries to maintain a stable business while innovating on the periphery.

a. reactor strategy

b. prospector strategy

c. analyzer strategy

d. defender strategy

ANSWER: c

RATIONALE: Feedback: The analyzer strategy tries to maintain a stable business while innovating on the periphery. It seems to lie midway between the prospector and the defender.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Two Frameworks for Selecting Strategy and Design

KEYWORDS: Bloom's: Remember

20. Organizational _____ is the degree to which an organization realizes its goals.

a. efficiency

b. adaptability

c. productivity

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d. effectiveness

ANSWER: c

RATIONALE: Feedback: Organizational effectiveness is the degree to which an organization realizes its goals.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-05 - 02-05

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Assessing Organizational Effectiveness

KEYWORDS: Bloom's: Remember

21. Organizational effectiveness is a _____, meaning that it is created and defined by an individual or group rather than existing independently in the external world.

a. strategic intent

b. core competence

c. competitive advantage

d. social construct

ANSWER: d

RATIONALE: Feedback: Organizational effectiveness is a social construct, meaning that it is created and defined by an individual or group rather than existing independently in the external world.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-05 - 02-05

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Assessing Organizational Effectiveness

KEYWORDS: Bloom's: Remember

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

a. goal approach

b. resource-based approach

c. analytical approach

d. internal process approach

ANSWER: a

RATIONALE: Feedback: The goal approach to effectiveness consists of identifying an organization's output goals and assessing how well the organization has attained those goals. This is a logical approach because organizations do try to attain certain levels of output, profit, or client satisfaction.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Four Effectiveness Approaches

KEYWORDS: Bloom's: Remember

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

a. official

b. operating

c. strategic

d. visionary

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ANSWER: b

RATIONALE: Feedback: When using the goal approach to effectiveness, it is best to use operating goals, because official goals (mission) tend to be abstract and difficult to measure. Operating goals reflect activities an organization is actually performing.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Four Effectiveness Approaches

KEYWORDS: Bloom's: Remember

24. The resource-based approach to effectiveness emphasizes the:

a. sales targets of an organization.

b. output of an organization.

c. achievement of profitability.

d. input into an organization.

ANSWER: d

RATIONALE: Feedback: The resource-based approach looks at the input side of the transformation process.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Four Effectiveness Approaches

KEYWORDS: Bloom's: Remember

25. Which of the following approaches is most likely to be used when one is measuring work climate, group loyalty, and worker-management communication as measures of effectiveness?

a. Quality control approach

b. External process approach

c. Internal process approach

d. Stakeholder approach

ANSWER: c

RATIONALE: Feedback: The indicators of internal process approach include a strong, adaptive corporate culture and positive work climate, confidence and trust between employees and management.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Four Effectiveness Approaches

KEYWORDS: Bloom's: Remember

26. The _____ tries to balance a concern with various parts of an organization rather than focusing on one part.

a. internal process model

b. rational goal model

c. open systems model

d. competing values model

ANSWER: d

RATIONALE: Feedback: The competing values model tries to balance a concern with various parts of the organization rather than focusing on one part.

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POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-07 - 02-07
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: An Integrated Effectiveness Model
KEYWORDS: Bloom's: Remember

27. The two value dimensions of the competing values model are the:
a. internal and external environment of an organization.
b. low-cost leadership and differentiation strategies.
c. focus and structure of an organization.
d. productivity strategies of an organization.

ANSWER: c
RATIONALE: Feedback: The two value dimensions of the competing values model are the focus and structure of an organization.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-07 - 02-07
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: An Integrated Effectiveness Model
KEYWORDS: Bloom's: Remember

28. In the context of the competing values model, a combination of external focus and flexible structure leads to a(n) _____ where management's primary goals are growth and resource acquisition.
a. rational goal emphasis
b. open systems emphasis
c. internal process emphasis
d. human relations emphasis

ANSWER: b
RATIONALE: Feedback: A combination of external focus and flexible structure leads to an open systems emphasis. Management's primary goals are growth and resource acquisition.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-07 - 02-07
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: An Integrated Effectiveness Model
KEYWORDS: Bloom's: Remember

29. Jason is employed at Cloover Inc. At Cloover Inc., management's primary goals are increasing the ratio of output to input, using the resources used to produce a unit of output efficiently, and generating more revenue than the expenses. Cloover Inc.'s management values are represented by _____.
a. the rational goal emphasis
b. the open systems emphasis
c. the internal process emphasis
d. the human relations emphasis

ANSWER: a
RATIONALE: Feedback: Cloover Inc.'s management values are represented by the rational goal emphasis. The rational goal emphasis represents management values of structural control and external focus. The primary goals are productivity, efficiency, and profit.
POINTS: 1

Organization Theory and Design 12th edition Daft Test Bank

LEARNING OBJECTIVES: ORGT.DAFT.16.02-07 - 02-07
NATIONAL STANDARDS: United States - AACSB: Reflective Thinking
TOPICS: An Integrated Effectiveness Model
KEYWORDS: Bloom's: Apply

30. In the context of the competing values model, the primary outcome of the ____ is a stable organizational setting that maintains itself in an orderly way.

a. rational goal emphasis
b. open systems emphasis
c. internal process emphasis
d. human relations emphasis

ANSWER: c
RATIONALE: Feedback: The internal process emphasis reflects the values of internal focus and structural control. The primary outcome is a stable organizational setting that maintains itself in an orderly way.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-07 - 02-07
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: An Integrated Effectiveness Model
KEYWORDS: Bloom's: Remember

31. Assessing an organization's strengths, weaknesses, opportunities, and threats is the first step for any business to achieve its purpose.

a. True
b. False

ANSWER: False
RATIONALE: Feedback: Managers know that establishing mission, goals, and strategy is the first step for any business to achieve its purpose.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-01 - 02-01
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: The Role of Strategic Direction in Organization Design
KEYWORDS: Bloom's: Remember

32. The direction-setting process typically begins with the administration and execution of the strategic plan.

a. True
b. False

ANSWER: False
RATIONALE: Feedback: The direction-setting process typically begins with an assessment of the opportunities and threats in the external environment, including the amount of change, uncertainty, and resource availability.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-01 - 02-01
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: The Role of Strategic Direction in Organization Design
KEYWORDS: Bloom's: Remember

33. The overall aim of strategic intent is to help an organization achieve a sustainable competitive advantage.

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a. True

b. False

ANSWER: True

RATIONALE: Feedback: The overall aim of strategic intent is to help an organization achieve a sustainable competitive advantage.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Organizational Purpose

KEYWORDS: Bloom's: Remember

34. Operating goals provide direction for day-to-day decisions and activities within departments in an organization.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: Operating goals typically pertain to the primary tasks an organization must perform. Specific goals for each primary task provide direction for the day-to-day decisions and activities within departments.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Organizational Purpose

KEYWORDS: Bloom's: Remember

35. Growth and output volume are examples of overall performance goals.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: Overall performance goals include growth and output volume. Growth pertains to increases in sales or profits over time. Volume pertains to total sales or the amount of products or services delivered.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Organizational Purpose

KEYWORDS: Bloom's: Remember

36. For nonprofit organizations, resource goals might include recruiting dedicated volunteers and expanding the organization's funding base.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: For nonprofit organizations, resource goals might include recruiting dedicated volunteers and expanding the organization's funding base.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Organizational Purpose

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KEYWORDS: Bloom's: Remember

37. Innovation and change goals have little importance, even though they initially cause a large increase in profits.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: Innovation and change goals are increasingly important, even though they may initially cause a decrease in profits.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Organizational Purpose

KEYWORDS: Bloom's: Remember

38. In the context of Porter's strategy model, a differentiation strategy usually targets customers who are particularly concerned with price.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: A differentiation strategy usually targets customers who are not particularly concerned with price, so it can be quite profitable.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Two Frameworks for Selecting Strategy and Design

KEYWORDS: Bloom's: Understand

39. In the context of Porter's strategy model, managers take a more organic, learning approach to organization design with a low-cost leadership strategy.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: With a low-cost leadership strategy, managers take a primarily mechanistic, efficiency approach to organization design.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Two Frameworks for Selecting Strategy and Design

KEYWORDS: Bloom's: Understand

40. According to Miles and Snow's strategy typology, the prospector strategy is concerned with stability or even retrenchment.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: The prospector strategy is to innovate, take risks, seek out new opportunities, and grow.

POINTS: 1

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LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Two Frameworks for Selecting Strategy and Design
KEYWORDS: Bloom's: Understand

41. According to Miles and Snow's strategy typology, the prospector strategy is suited for an environment where efficiency is more important than creativity.

a. True
b. False

ANSWER: False
RATIONALE: Feedback: The prospector strategy is suited to a dynamic, growing environment, where creativity is more important than efficiency.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Two Frameworks for Selecting Strategy and Design
KEYWORDS: Bloom's: Understand

42. According to Miles and Snow's strategy typology, the defender strategy neither innovates nor seeks to grow.

a. True
b. False

ANSWER: True
RATIONALE: Feedback: Rather than taking risks and seeking out new opportunities, the defender strategy is concerned with stability or even retrenchment. This strategy seeks to hold on to current customers, but it neither innovates nor seeks to grow.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Two Frameworks for Selecting Strategy and Design
KEYWORDS: Bloom's: Understand

43. According to Miles and Snow's strategy typology, the defender strategy can be successful when an organization exists in a declining industry or a stable environment.

a. True
b. False

ANSWER: True
RATIONALE: Feedback: According to Miles and Snow's strategy typology, the defender strategy can be successful when an organization exists in a declining industry or a stable environment.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Two Frameworks for Selecting Strategy and Design
KEYWORDS: Bloom's: Understand

44. According to Miles and Snow's strategy typology, top management has defined a long-range plan or given the organization an explicit mission or goal with a reactor strategy.

a. True
b. False

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ANSWER: False

RATIONALE: Feedback: With a reactor strategy, top management has not defined a long-range plan or given the organization an explicit mission or goal, so the organization takes whatever actions seem to meet immediate needs.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Two Frameworks for Selecting Strategy and Design

KEYWORDS: Bloom's: Understand

45. According to Miles and Snow's strategy typology, managers have left the organization with no direction and no clear approach to design with a reactor strategy.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: According to Miles and Snow's strategy typology, managers have left the organization with no direction and no clear approach to design with a reactor strategy.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Two Frameworks for Selecting Strategy and Design

KEYWORDS: Bloom's: Understand

46. Organizational efficiency is the amount of resources used to produce a unit of output.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: Organizational efficiency is the amount of resources used to produce a unit of output. It can be measured as the ratio of inputs to outputs.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-05 - 02-05

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Assessing Organizational Effectiveness

KEYWORDS: Bloom's: Remember

47. Organizational effectiveness is created and defined by existing independently in the external world.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: Organizational effectiveness is a social construct, meaning that it is created and defined by an individual or group rather than existing independently in the external world.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-05 - 02-05

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Assessing Organizational Effectiveness

KEYWORDS: Bloom's: Remember

48. In the context of the competing values model, the resource-based approach looks at the input side of the

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transformation process.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: In the context of the competing values model, the resource-based approach looks at the input side of the transformation process.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Assessing Organizational Effectiveness

KEYWORDS: Bloom's: Remember

49. In the context of the competing values model, the internal process approach considers external factors while measuring an organization's health and efficiency.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: In the internal process approach, effectiveness is measured as internal organizational health and efficiency. This approach does not consider the external environment.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Assessing Organizational Effectiveness

KEYWORDS: Bloom's: Remember

50. In the context of the competing values model, the internal focus of an organization represents an emphasis on the well-being of the organization itself with respect to the environment.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: In the context of the competing values model, the internal focus reflects a management concern for the well-being and efficiency of employees.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Assessing Organizational Effectiveness

KEYWORDS: Bloom's: Remember

51. In the context of the competing values model, the external focus reflects a management concern for the well-being and efficiency of employees.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: In the context of the competing values model, the external focus represents an emphasis on the well-being of an organization with respect to the environment.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06

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NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Assessing Organizational Effectiveness
KEYWORDS: Bloom's: Remember

52. In the context of the competing values model, the stability dimension reflects a management value for learning and change.

a. True
b. False

ANSWER: False
RATIONALE: Feedback: In the context of the competing values model, the stability dimension reflects a management value for efficiency and top-down control.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Assessing Organizational Effectiveness
KEYWORDS: Bloom's: Remember

53. In the context of the competing values model, the flexibility dimension reflects a management value for efficiency and top-down control.

a. True
b. False

ANSWER: False
RATIONALE: Feedback: The flexibility dimension represents a value for learning and change.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Assessing Organizational Effectiveness
KEYWORDS: Bloom's: Remember

54. In the context of the competing values model, the rational goal emphasis represents management values of structural control and external focus.

a. True
b. False

ANSWER: True
RATIONALE: Feedback: In the context of the competing values model, the rational goal emphasis represents management values of structural control and external focus.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-07 - 02-07
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Assessing Organizational Effectiveness
KEYWORDS: Bloom's: Remember

55. In the context of the competing values model, the internal process emphasis is more concerned with human resources than with other internal processes that lead to efficiency.

a. True
b. False

ANSWER: False

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RATIONALE: Feedback: In the context of the competing values model, the internal process approach is less concerned with human resources than with other internal processes that lead to efficiency.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-07 - 02-07

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Assessing Organizational Effectiveness

KEYWORDS: Bloom's: Remember

56. Explain the role of top management in an organization and why it is important.

ANSWER: Top executives decide the end purpose an organization will strive for and determine the direction it will take to accomplish it. It is this purpose and direction that shapes how the organization is designed and managed. The primary responsibility of top management is to determine an organization's goals, strategy, and design, thereby adapting the organization to a changing environment. The direction-setting process typically begins with an assessment of the opportunities and threats in the external environment, including the amount of change, uncertainty, and resource availability. Top managers also assess internal strengths and weaknesses to define the company's distinctive competence compared with other firms in the industry. This competitive analysis of the internal and external environments is one of the central concepts in strategic management.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-01 - 02-01

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: The Role of Strategic Direction in Organization Design

KEYWORDS: Bloom's: Understand

57. Briefly explain an organization's mission.

ANSWER: The overall goal for an organization is often called the mission—the organization's reason for existence. The mission describes the organization's shared values and beliefs and its reason for being. The mission is sometimes called the official goals, which refers to the formally stated definition of business scope and outcomes the organization is trying to achieve. Official goal statements typically define business operations and may focus on values, markets, and customers that distinguish the organization.
Whether called a mission statement or official goals, the organization's general statement of its purpose and philosophy is often written down in a policy manual or the annual report. One of the primary purposes of a mission statement is to serve as a communication tool. The mission statement communicates to current and prospective employees, customers, investors, suppliers, and competitors what the organization stands for and what it is trying to achieve. A mission statement communicates legitimacy to internal and external stakeholders, who may join and be committed to the organization because they identify with its stated purpose and values. Most top leaders want employees, customers, competitors, suppliers, investors, and the local community to look on the organization in a favorable light, and the concept of legitimacy plays a critical role.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Organizational Purpose

KEYWORDS: Bloom's: Understand

58. Briefly explain operating goals. List the various operating goals in an organization.

ANSWER: An organization's mission and overall goals provide a basis for developing more specific

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operating goals. Operating goals designate the ends sought through the actual operating procedures of the organization and explain what the organization is actually trying to do. Operating goals describe specific measurable outcomes and are often concerned with the short run. Operating goals typically pertain to the primary tasks an organization must perform. Specific goals for each primary task provide direction for the day-to-day decisions and activities within departments.
Typical operating goals that define what an organization is trying to accomplish include performance goals, resource goals, market goals, employee development goals, productivity goals, and goals for innovation and change.

POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Understand

59. Explain a hybrid organization with examples.

ANSWER: A hybrid organization is an organization that mixes value systems and behaviors that represent two different sectors of society, which leads to tensions and conflict within the organization over goals and priorities. The goals and values of the two sides are sometimes mutually exclusive, so managers have to negotiate and come to some agreement on which direction the company will take.
Organizations with a social mission, for example, may have to hire business-minded people to sell the organization's services to provide additional income. The business-minded employees stress goals of sales, revenue, and efficiency while public service-minded employees stress goals of sacrifice and meeting social needs. When social welfare organizations have to achieve their social mission through commercial activities, managers are often caught between competing demands of market and social welfare mindsets. One group may champion for-profit priorities and the other champions the contribution to social needs. Another example of a hybrid organization is a biotechnology company that incorporates goals and mindsets of both bias-free scientific research for the sake of new knowledge versus research to develop and market potentially lucrative products. These differences in goal orientation can trigger manipulation, avoidance, or defiance on the part of one side versus the other unless managers can balance the conflicting demands.

POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-02 - 02-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organizational Purpose
KEYWORDS: Bloom's: Understand

60. Quebecor Printing is a commercial printing company that is expanding, acquiring ailing printing companies, and moving into international markets. They have completed more than 100 mergers and buyouts since 1972 and have focused on customized service by using "selective binding" to print. Apply strategies from Porter's model to make Quebecor Printing's business more profitable.

ANSWER: Michael E. Porter studied a number of business organizations and proposed that managers can make an organization more profitable and less vulnerable by adopting either a differentiation strategy or a low-cost leadership strategy. Using a low-cost leadership strategy means managers choose to compete through lower costs, whereas with a differentiation strategy the organization competes through the ability to offer unique or distinctive products and services that can command a premium price. Quebecor Printing can formulate strategies to offer low-cost printing solutions to its customers. The company can formulate a differentiation strategy by focusing on the "selective binding" feature as a key product feature that sets its product apart from that of its rivals.

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POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04
NATIONAL STANDARDS: United States - AACSB: Reflective Thinking
TOPICS: Two Frameworks for Selecting Strategy and Design
KEYWORDS: Bloom's: Apply

61. Describe Miles and Snow's strategy typology.
ANSWER: The Miles and Snow typology is based on the idea that managers seek to formulate strategies that will be congruent with the external environment. Organizations strive for a fit among internal organization characteristics, strategy, and the external environment. The four strategies that can be developed are the prospector, the defender, the analyzer, and the reactor.
· Prospector: The prospector strategy is to innovate, take risks, seek out new opportunities, and grow. This strategy is suited to a dynamic, growing environment, where creativity is more important than efficiency.
· Defender: The defender strategy is almost the opposite of the prospector. Rather than taking risks and seeking out new opportunities, the defender strategy is concerned with stability or even retrenchment.
· Analyzer: The analyzer tries to maintain a stable business while innovating on the periphery. It seems to lie midway between the prospector and the defender.
· Reactor: The reactor strategy is not really a strategy at all. Rather, reactors respond to environmental threats and opportunities in an ad hoc fashion. With a reactor strategy, top management has not defined a long-range plan or given the organization an explicit mission or goal, so the organization takes whatever actions seem to meet immediate needs.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-04 - 02-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Two Frameworks for Selecting Strategy and Design
KEYWORDS: Bloom's: Understand

62. Describe the goal approach to measure effectiveness.
ANSWER: The goal approach to effectiveness consists of identifying an organization's output goals and assessing how well the organization has attained those goals. This is a logical approach because organizations do try to attain certain levels of output, profit, or client satisfaction. Indicators tracked with the goal approach include:
· Profitability—the positive gain from business operations or investments after expenses are subtracted.
· Market share—the proportion of the market the firm is able to capture relative to competitors.
· Growth—the ability of the organization to increase its sales, profits, or client base over time.
· Social responsibility—how well the organization serves the interests of society as well as itself.
· Product quality—the ability of the organization to achieve high quality in its products or services.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Four Effectiveness Approaches
KEYWORDS: Bloom's: Understand

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63. Explain the resource-based approach to measure effectiveness. List the various indicators that can be tracked with the resource-based approach.

ANSWER: The resource-based approach looks at the input side of the transformation process. It assumes organizations must be successful in obtaining and managing valued resources in order to be effective because strategically valuable resources give an organization a competitive edge. From a resource-based perspective, organizational effectiveness is defined as the ability of the organization, in either absolute or relative terms, to obtain scarce and valued resources and successfully integrate and manage them.
In a broad sense, resource indicators of effectiveness encompass the following dimensions:
· Bargaining position—the ability of the organization to obtain from its environment scarce and valued resources, including tangible resources such as a prime location, financing, raw materials, and quality employees, and intangible assets such as a strong brand or superior knowledge.
· The abilities of the organization's decision makers to perceive and correctly interpret the real properties of the external environment and supply forces.
· The abilities of managers to use tangible (e.g., supplies, people) and intangible
· (e.g., knowledge, corporate culture) resources and capabilities in day-to-day organizational activities to achieve superior performance.
· The ability of the organization to respond to changes in resource sectors of the environment.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Four Effectiveness Approaches

KEYWORDS: Bloom's: Understand

64. Write a brief note on the internal process approach.

ANSWER: In the internal process approach, effectiveness is measured as internal organizational health and efficiency. An effective organization has a smooth, well-oiled internal process. Employees are happy and satisfied. Department activities mesh with one another to ensure high productivity. This approach does not consider the external environment. The important element in effectiveness is what the organization does with the resources it has, as reflected in internal health and efficiency.
Internal process indicators include:
· A strong, adaptive corporate culture and positive work climate
· Confidence and trust between employees and management
· Operational efficiency, such as using minimal resources to achieve outcomes
· Undistorted horizontal and vertical communication
· Growth and development of employees
· Coordination among the organization's parts, with conflicts resolved in the interest of the larger organization

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.02-06 - 02-06

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Four Effectiveness Approaches

KEYWORDS: Bloom's: Understand

65. In the context of the competing values model, explain the four approaches to effectiveness values.

ANSWER: The combination of dimensions provides four approaches to organizational effectiveness, which, though seemingly different, are closely related. In real organizations, these competing values can and often do exist together. Each approach reflects a different management emphasis with respect to structure and focus.
A combination of external focus and flexible structure leads to an open systems emphasis.

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Management's primary goals are growth and resource acquisition. The organization accomplishes these goals through the subgoals of flexibility, readiness, and a positive external evaluation.
The rational goal emphasis represents management values of structural control and external focus. The primary goals are productivity, efficiency, and profit. The organization wants to achieve output goals in a controlled way. Subgoals that facilitate these outcomes are internal planning and goal setting, which are rational management tools.
The internal process emphasis reflects the values of internal focus and structural control. The primary outcome is a stable organizational setting that maintains itself in an orderly way. Organizations that are well established in the environment and simply want to maintain their current position would reflect this emphasis. Subgoals include mechanisms for efficient communication, information management, and decision making.
The human relations emphasis incorporates the values of an internal focus and a flexible structure. Here, management concern is for the development of human resources. Employees are given opportunities for autonomy and development. Management works toward the subgoals of cohesion, morale, and training opportunities. Organizations adopting this emphasis are more concerned with employees than with the environment.

POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.02-07 - 02-07
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Four Effectiveness Approaches
KEYWORDS: Bloom's: Understand

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