

# Chapter 13

Student: \_\_\_\_\_

1. Employees tend to be more satisfied with jobs that require them to perform a number of different kinds of activities.  
True False
2. Fortunately, spans of control in organizations have decreased significantly in recent years.  
True False
3. A high level of work specialization tends to bring about a high level of formalization.  
True False
4. Stable environments require organizations to have structures that are more adaptive.  
True False
5. Two common company strategies discussed in the text that affect organizational design are low-cost producer and high-cost producer.  
True False
6. Although not completely conclusive, research suggests that the more routine a technology is, the more mechanistic a structure should be.  
True False
7. Research shows that the structure of organizations should be revised when it reaches a specific size.  
True False
8. Bureaucracies are designed for efficiency and rely on high levels of work specialization, formalization, centralization of authority, rigid and well-defined chains of command, and relatively narrow spans of control.  
True False
9. One reason for developing a geographic structure revolve around the different taste of customers in different regions.  
True False
10. A common kind of restructuring in recent years has been a "flattening" of the organization.  
True False
11. As companies grow larger, their organizational charts get simpler.  
True False
12. There are no trade-offs when organizations make jobs highly specialized.  
True False
13. Employees tend to be more satisfied with jobs that require them to perform a specialized kind of activity.  
True False
14. Wide spans of control allow managers to be much more hands-on with employees.  
True False
15. Organizations "let" a structure develop on its own without proactively designing it.  
True False
16. Dynamic environments allow organizations to focus on efficiency and require little change over time.  
True False

17. Companies that focus on a low-cost producer strategy believe that people will pay more for a product that is unique in some way.  
True False
18. Companies that focus on a differentiation strategy are more likely to take a mechanistic approach to organizational design.  
True False
19. A simple structure makes perfect sense for a large organization.  
True False
20. As an organization's size increases, it is incredibly difficult to develop some form of bureaucracy.  
True False
21. Small companies evolve into functionally-based structures as they grow larger.  
True False
22. Product structures group business units around different products that the company produces.  
True False
23. Client structure is one form of a multi-divisional structure.  
True False
24. The matrix represents a combination of a client structure and a product structure.  
True False
25. Organizational structures operate in different ways for employees and their managers.  
True False
26. Job performance is determined by organization structure.  
True False
27. Changes to an organization's structure can have positive effects on the employees who work for the company, at least in the short term.  
True False
28. Restructuring efforts usually enhance employees' trust in the organization.  
True False
29. Many restructuring efforts are designed to remove one or more organizational layers to reduce costs.  
True False
30. Efforts to flatten can cause organizations to lay off several of the managers within the company.  
True False
31. To keep the stress level low and avoid two chains of command issues, Shiny Hair managers should adopt the matrix structure  
True False
32. \_\_\_\_\_ formally dictates how jobs and tasks are divided and coordinated between individuals and groups within the company.
  - A. Span of control
  - B. Formalization
  - C. Centralization
  - D. Organizational structure
  - E. Chain of command

33. A drawing that represents every job in the organization and the formal reporting relationships between those jobs is called
- A. chain of command
  - B. organizational chart
  - C. centralization
  - D. formalization
  - E. span of control
34. All of these are elements of organizational structure except
- A. chain of command
  - B. centralization
  - C. Idealized influence
  - D. Formalization
  - E. Span of control
35. The degree to which tasks in an organization are divided into separate jobs refers to
- A. centralization
  - B. chain of command
  - C. span of control
  - D. formalization
  - E. work specialization
36. Which element of organizational structure signifies formal authority relationships?
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control
37. Which of these represents how many employees each manager in the organization has responsibility for?
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control
38. \_\_\_\_\_ refers to where decisions are formally made in the organization.
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control
39. The degree to which rules and procedures are used to standardize behaviours and decisions in an organization refers to
- A. chain of command
  - B. formalization
  - C. centralization
  - D. work specialization
  - E. span of control
40. Which of these elements of organizational structure is also referred to as a company's division of labour?
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control

41. The question "who reports to whom?" is answered by which of these elements of organizational structure?
- A. Span of control
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. None of these
42. At Personal Touch, Inc., there is a total focus on providing care and satisfaction to each customer. In the major clients division, each manager is assigned three employees to supervise, whereas in the product assembly division, each manager supervises about 15 employees. The major clients division managers can be described as having \_\_\_\_\_ as opposed to \_\_\_\_\_ for the product assembly division managers.
- A. narrow span of control; wide span of control
  - B. tall formalization; flat formalization
  - C. narrow centralization; tall centralization
  - D. wide span of control; narrow span of control;
  - E. flat formalization; tall formalization
43. \_\_\_\_\_ allow managers to be much more hands on with employees, giving them the opportunity to use directive leadership styles while developing close mentoring relationships with employees.
- A. Wide spans of control
  - B. High formalization
  - C. Low centralization
  - D. Narrow spans of control
  - E. Low formalization
44. Current research suggests that a \_\_\_\_\_ span of control is best for an organization's productivity.
- A. wide
  - B. tall
  - C. moderate
  - D. narrow
  - E. flat
45. A \_\_\_\_\_ span of control creates a \_\_\_\_\_ organization structure.
- A. wide; tall
  - B. tall; flat
  - C. moderate; narrow
  - D. narrow; tall
  - E. flat; moderate
46. A \_\_\_\_\_ span of control creates a \_\_\_\_\_ organization structure.
- A. wide; flat
  - B. tall; flat
  - C. moderate; narrow
  - D. narrow; flat
  - E. flat; moderate
47. At ABC Manufacturing, only the top managers have the authority to make final decisions on just about everything. ABC can be described as a highly \_\_\_\_\_ structure.
- A. wide
  - B. decentralized
  - C. moderate
  - D. narrow
  - E. centralized

48. If decision making is pushed down to lower level employees, and these employees feel empowered to make decisions on their own, an organization has a \_\_\_\_\_ structure.
- A. wide
  - B. decentralized
  - C. moderate
  - D. narrow
  - E. centralized
49. Which of these are efficient, rigid, predictable, and standardized organizations that thrive in stable environments?
- A. Mechanistic organizations
  - B. Client structure organizations
  - C. Multi-divisional organizations
  - D. Matrix organizations
  - E. Organic organizations
50. \_\_\_\_\_ organizations are flexible, adaptive, outward-focused organizations that thrive in dynamic environments.
- A. Mechanistic
  - B. Global
  - C. Multi-divisional
  - D. Matrix
  - E. Organic
51. Mechanistic organizations are typified by a structure that relies on all of these except
- A. high levels of formalization
  - B. a rigid and hierarchical chain of command
  - C. high degree of work specialization
  - D. wide spans of control
  - E. centralization of decision making
52. Organic organizations are typified by a structure that relies on which of these?
- A. High levels of formalization
  - B. A rigid and hierarchical chain of command
  - C. High degree of work specialization
  - D. Wide spans of control
  - E. Centralization of decision making
53. Organic organizations are typified by a structure that relies on all of these except
- A. low levels of formalization
  - B. weak chains of command
  - C. high degree of work specialization
  - D. wide spans of control
  - E. all of these are typically found in an organic structure
54. Which of these organizational structure elements is typically found in a mechanistic structure?
- A. Low levels of formalization
  - B. Weak chains of command
  - C. High degree of work specialization
  - D. Wide spans of control
  - E. All of these are typically found in an organic structure
55. The process of creating, selecting, or changing the structure of an organization refers to
- A. formalization
  - B. organization design
  - C. specialization
  - D. spans of control
  - E. none of these

56. One of the biggest factors of an environment's effect on structure is
- A. whether the outside environment is stable or dynamic
  - B. extrinsic culture clashing with intrinsic values
  - C. internal factors affecting number of layers in an organization
  - D. competitor's structures matching industry needs
  - E. government mandates spans of control
57. Stable environments allow organizations to focus on
- A. flexibility
  - B. change
  - C. efficiency
  - D. adaptation
  - E. none of these
58. Which of these describe an organization's objectives and goals and how it tries to capitalize on its assets to make money?
- A. Organization structure
  - B. Company technology
  - C. Business environment
  - D. Organization strategy
  - E. Organizational chart
59. Low cost producers are more likely to take which of these approaches to organizational design?
- A. Mechanistic
  - B. Global
  - C. Multi-divisional
  - D. Matrix
  - E. Organic
60. Differentiators are more likely to take which of these approaches to organizational design?
- A. Mechanistic
  - B. Global
  - C. Multi-divisional
  - D. Matrix
  - E. Organic
61. The method by which an organization transforms its inputs into outputs refers to its
- A. structure
  - B. technology
  - C. environment
  - D. strategy
  - E. chart
62. Southpark Erasures is the low-cost producer of one type of standard erasures. Given that it operates in a fairly stable environment, the company focuses on making its product as efficiently as possible. Which of these organizational structures may be appropriate for Southpark?
- A. Multi-divisional
  - B. Global
  - C. Mechanistic
  - D. Matrix
  - E. Organic

63. Queen City Furniture is a custom manufacturer of hand-crafted furniture. The company has 94 locations throughout the country and relies on decentralized decision making to meet the needs of the dynamic environment and customer needs. Which of these organizational structures may be appropriate for Queen City Furniture?
- A. Simple
  - B. Global
  - C. Mechanistic
  - D. Organic
  - E. Matrix
64. As organizations become larger, they tend to become more \_\_\_\_\_ in nature
- A. simple
  - B. global
  - C. mechanistic
  - D. organic
  - E. matrix
65. \_\_\_\_\_ structures are perhaps the most common form of organizational design.
- A. Simple
  - B. Functional
  - C. Client-based
  - D. Product
  - E. Matrix
66. More than \_\_\_\_\_ percent of employing organizations have fewer than \_\_\_\_\_ employees.
- A. 20; 62
  - B. 53; 47
  - C. 10; 500
  - D. 80; 19
  - E. 50; 50
67. A bureaucratic structure is an organizational form that exhibits many of the facets of the \_\_\_\_\_ organization.
- A. simple
  - B. global
  - C. adaptive
  - D. organic
  - E. mechanistic
68. \_\_\_\_\_ are designed for efficiency and rely on high levels of work specialization, formalization, centralization of authority, rigid and well-defined chains of command, and relatively narrow spans of control.
- A. Bureaucracies
  - B. Simple structures
  - C. Adaptive organizations
  - D. Organic structures
  - E. None of these
69. The most basic bureaucratic structure is the \_\_\_\_\_ structure.
- A. client-based
  - B. product
  - C. geographic
  - D. functional
  - E. simple

70. At ABC Manufacturing, employees are grouped according to their expertise in an area. All marketing employees are in one department, all finance employees are grouped in another department and similarly, all human resources and manufacturing employees are in their respective departments. ABC can be said to have which of these structures?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Simple
71. The biggest weakness of a functional structure is that
- A. organization as a whole has a relatively narrow focus
  - B. organization has fewer product lines or services
  - C. it operates in a stable environment
  - D. employees lose sight of bigger organizational picture
  - E. all of these
72. When General Motors groups its business units around the different lines of cars such as Chevrolet, Buick, Oldsmobile, Pontiac, and Cadillac, it is creating which of these structures?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Simple
73. Canadian Toy Manufacturer (CTM) groups its business units around the following divisions: educational toys, girl's toys, boy's toys, and electronic toys. CTM has created which of these organizational structures?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Simple
74. When Candies R Us groups its business units according to where they do business such as North America division, Europe division, Asia division, and Africa division, it is creating which of these organizational structures?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Simple
75. When a company organizes its activities according to where they do business, such as Northeast, Southeast, Northwest, Southwest, Midwest, etc., it is creating which of these organizational structures?
- A. Simple
  - B. Product
  - C. Client-based
  - D. Functional
  - E. Geographic

76. Star Brokerage, Inc. (SBI) has grouped its work around the size and type of accounts they serve: Institutional Accounts, Pension Fund Accounts, and Personal Accounts. SBI has created which of these organizational structures?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Simple
77. A more complex forms of organizational design that try to take advantage of two types of structures at the same time are called \_\_\_\_\_ structures.
- A. simple
  - B. functional
  - C. client-based
  - D. product
  - E. matrix
78. At Modern Technology, employees are grouped according to their functional expertise as well as the different key product lines that they are working on. Hence, the company has simultaneously created a combination of a functional and a product structure. This is an example of which of these?
- A. Conglomerate
  - B. Matrix
  - C. Geographic
  - D. Global
  - E. Simple
79. Matrix structure gives each employee \_\_\_\_\_ chain(s) of command.
- A. numerous
  - B. at least four
  - C. two
  - D. infinite
  - E. one
80. \_\_\_\_\_ structure gives each employee two chains of command, two groups with which to interact, and two sources of information to consider.
- A. Client-based
  - B. Cross-border
  - C. Geographic
  - D. Matrix
  - E. Product
81. The process of changing an organizational structure is called
- A. restructuring
  - B. organic structure
  - C. company strategy
  - D. formalization
  - E. work specialization
82. According to research, restructuring has \_\_\_\_\_ effect on task performance.
- A. a strong positive
  - B. a small negative
  - C. no
  - D. a strong negative
  - E. a moderate positive

83. Restructuring has \_\_\_\_\_ effect on commitment.
- A. a strong positive
  - B. a weak negative
  - C. no
  - D. a moderate positive
  - E. a moderate negative
84. The first step in adapting to the environment is
- A. restructuring
  - B. recognizing the need to change
  - C. evaluating the external environment
  - D. evaluating the internal environment
  - E. exploring the competitor's structures
85. A common kind of restructuring in recent years has been which of these?
- A. From a functional to a geographic-based
  - B. From a product to a client-based
  - C. From bureaucratic to a simple structure
  - D. A flattening of the organization
  - E. Creating a tall structure in the organization
86. Why do so many organizations restructure today by flattening the structure?
- A. Research shows that it improves employee morale
  - B. It provides more rewards for fewer employees
  - C. To increase efficiency
  - D. It creates a government subsidy qualification
  - E. None of these
87. Which of these can help reduce negative effects of restructuring efforts in an organization?
- A. Frequent communication and participation
  - B. More money to layoff survivors
  - C. More work to take their mind off of layoffs
  - D. Higher degree of stress to increase productivity
  - E. Getting rid of work that was originally done by laid-off employees

**Scenario: Northview Carpets**

Jerry is the project manager of the corporate structure team at Northview Carpets. Jerry's team has been assigned the task to study and evaluate Northview's organizational structure. To collect the preliminary information, Jerry divided the tasks among the team members to collect information on different elements of Northview's structure. Raj was asked to collect information on the degree to which tasks are divided into separate jobs. Alex was asked to collect information on formal authority relationships, Amanda started looking into how many employees each manager has responsibility for, and Kristine was asked to collect evidence on the degree to which rules and procedures are used to standardize behaviours at Northview. Jerry decided to collect information and evidence on where exactly decisions are formally made at Northview. The team decided to meet with information in two weeks.

88. Jerry is collecting information on which element of organizational structure?
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control
89. Raj was asked to collect information on which element of organizational structure?
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control

90. Amanda is looking into information on which element of organizational structure?
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control
91. Alex was asked to collect information on which element of organizational structure?
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control
92. Kristine was asked to collect evidence on which element of organizational structure?
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control

**Scenario: Shiny Hair, Inc**

Shiny Hair, Inc. is growing very fast in both sales and number of employees. It manufactures and sales hair products for youth, male, female, elderly, and ethnic population all over the Canada and several other countries. So far the company followed a simple structure, however, with fast-paced growth; it has become a necessity that the company explore other organizational structures. James, a long-time employee at shiny Hair, has collected information on how some of their competitors have organized their companies. Haircare groups their employees by their different area expertise such as marketing, finance, human resources and operations. HairOil, primarily in United States, groups their activities as northeast division, southeast division, northwest division, southwest division, and central division. CurlyHair has organized their employees according to the accounts they serve such as Large Company contracts, Internet Sales, Individual Sales, and Small Salon Direct Sales. Finally, Colors International has grouped their business units around popular colors such as Red Division, Silver Division, rainbow Division, Black and Brown Division, and Shades of Blonde Division.

93. Which of these describes HairOil's organizational structure?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Matrix
94. Which of these describes CurlyHair's organizational structure?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Matrix
95. Which of these describes Colors International's organizational structure?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Matrix

96. Which of the following, to some degree, is a never-ending trade-off among productivity, flexibility, and worker motivation?
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control
97. Organizations depend on which flow of authority to attain order, control, and predictable performance?
- A. Span of control
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Chain of command
98. Span of control is associated with which of the following?
- A. The degree to which tasks in an organization are divided into separate jobs.
  - B. Answers the question of "Who reports to whom?" and signifies formal authority relationships.
  - C. Refers to where decisions are formally made in organizations.
  - D. Each manager represents how many employees he/she is responsible for in the organization.
  - E. The degree to which rules and procedures are used to standardize behaviours and decisions in an organization.
99. Which of the following is a necessary coordination mechanism that organizations rely on to get a standardized product or deliver a standardized service?
- A. Formalization
  - B. Centralization
  - C. Span of control
  - D. Chain of command
  - E. Work specialization
100. Which of these is associated with decentralization in decision making?
- A. Moderate spans of control
  - B. Tall spans of control
  - C. Wide spans of control
  - D. Narrow spans of control
  - E. Flat spans of control
101. Which of the following encourages employees to develop knowledge and expertise outside of their specialization?
- A. Multi-divisional organizations
  - B. Matrix organizations
  - C. Organic organizations
  - D. Mechanistic organizations
  - E. Global organizations
102. All of the following are characteristics of mechanistic organizations except:
- A. high degree of work specialization.
  - B. very clear lines of authority.
  - C. knowledge and expertise are decentralized.
  - D. high levels of hierarchical control.
  - E. information is passed through vertical communication between an employee and his/her supervisor.

103. Which of the following statements about an organization's dynamic business environment is true?
- A. It does not change frequently.
  - B. It allows organizations to primarily focus on efficiency.
  - C. Any changes that occur in dynamic environments happen very slowly.
  - D. It requires little change over time.
  - E. It requires organizations to have structures that are more adaptive.
104. A \_\_\_\_\_ structure is a flat organization with one person as the central decision-making figure.
- A. functional
  - B. product
  - C. client-based
  - D. simple
  - E. matrix
105. All of the following are associated with simple structures except:
- A. it is used by extremely small organizations in which the manager, president, and owner are all the same person.
  - B. it is not large enough to have a high degree of formalization.
  - C. it will only have very basic differences in work specialization.
  - D. it has high degree of work specialization that is centrally coordinated.
  - E. it is the most common form of organizational design.
106. Which of the following structures are extremely efficient when the organization as a whole has a relatively narrow focus, fewer product lines or services, and a stable environment?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Simple
107. Which of the following are bureaucratic organizational forms in which employees are grouped into divisions around products, geographic regions, or clients?
- A. Mechanistic structures
  - B. Global structures
  - C. Multi-divisional structures
  - D. Matrix structures
  - E. Organic structures
108. Which of the following structures generally develop from companies with functional structures whose interests and goals become too diverse for that structure to handle?
- A. Mechanistic
  - B. Global
  - C. Multi-divisional
  - D. Matrix
  - E. Organic
109. Which of the following structures makes sense when firms diversify to the point that the products they sell are so different that managing them becomes overwhelming?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Simple

110. Which of the following structures revolve around the different tastes of customers in different regions and the size of the locations that need to be covered by different salespeople?
- A. Client-based
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Simple
111. Which structure allows an organization to put together very flexible teams based on the experiences and skills of their employees?
- A. Simple
  - B. Functional
  - C. Client-based
  - D. Product
  - E. Matrix
112. As teams become a more common form of organizing work, the number of organizations using which structure is growing?
- A. Client-based
  - B. Cross-border
  - C. Geographic
  - D. Matrix
  - E. Product
113. All of the following are elements of an organizational structure except:
- A. work specialization.
  - B. simple structure.
  - C. chain of command.
  - D. span of control.
  - E. formalization.
114. Which of the following statements about restructuring is false?
- A. It hinders learning and decision making.
  - B. It can increase stress.
  - C. It has a significant negative effect on organizational commitment.
  - D. It can jeopardize employees' trust in the organization.
  - E. It has a moderate positive effect on task performance.
115. All of the following can be done by managers to help layoff survivors except:
- A. give them a stronger sense of control.
  - B. allow them to have a voice in how to move forward.
  - C. give them more tasks to do to take their minds off the layoff.
  - D. help set the plans about how to accomplish future goals.
  - E. have honest and frequent communication with them.
116. Briefly describe the elements of organizational structure. Provide an example of each element.

117. Define span of control. Describe the relationship between span of control and organizational performance.

118. Differentiate between mechanistic and organic structures.

119. Briefly describe the factors that influence the process of organizational design.

120. Differentiate between functional and multi-divisional structures. Provide a diagram of each.

121. Using diagrams, describe the three multi-divisional structures.

122. Define matrix structure. Identify a strength and a weakness of such a structure from an employee's viewpoint.

123. What steps can an organization take to reduce the negative effects of restructuring efforts on employees? Explain.

## Chapter 13 Key

1. Employees tend to be more satisfied with jobs that require them to perform a number of different kinds of activities.  
(p. 344-345)  
**TRUE**  
*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #1  
Difficulty Level: Moderate  
Learning Outcome: 13.2*
2. Fortunately, spans of control in organizations have decreased significantly in recent years.  
(p. 347)  
**FALSE**  
*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #2  
Difficulty Level: Moderate  
Learning Outcome: 13.2*
3. A high level of work specialization tends to bring about a high level of formalization.  
(p. 347-348)  
**TRUE**  
*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #3  
Difficulty Level: Moderate  
Learning Outcome: 13.2*
4. Stable environments require organizations to have structures that are more adaptive.  
(p. 347-348)  
**FALSE**  
*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #4  
Difficulty Level: Moderate  
Learning Outcome: 13.3*
5. Two common company strategies discussed in the text that affect organizational design are low-cost producer and high-cost producer.  
(p. 350)  
**FALSE**  
*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #5  
Difficulty Level: Easy  
Learning Outcome: 13.3*
6. Although not completely conclusive, research suggests that the more routine a technology is, the more mechanistic a structure should be.  
(p. 351)  
**TRUE**  
*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #6  
Difficulty Level: Hard  
Learning Outcome: 13.3*
7. Research shows that the structure of organizations should be revised when it reaches a specific size.  
(p. 351)  
**FALSE**  
*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #7  
Difficulty Level: Hard  
Learning Outcome: 13.4*

8. Bureaucracies are designed for efficiency and rely on high levels of work specialization, formalization, centralization of authority, rigid and well-defined chains of command, and relatively narrow spans of control.

**TRUE**

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #8  
Difficulty Level: Hard  
Learning Outcome: 13.4*

9. One reason for developing a geographic structure revolve around the different taste of customers in different regions.

**TRUE**

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #9  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

10. A common kind of restructuring in recent years has been a "flattening" of the organization.

**TRUE**

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #10  
Difficulty Level: Moderate  
Learning Outcome: 13.5*

11. As companies grow larger, their organizational charts get simpler.

**FALSE**

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #11  
Difficulty Level: Moderate  
Learning Outcome: 13.1*

12. There are no trade-offs when organizations make jobs highly specialized.

**FALSE**

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #12  
Difficulty Level: Moderate  
Learning Outcome: 13.2*

13. Employees tend to be more satisfied with jobs that require them to perform a specialized kind of activity.

**FALSE**

*AACSB Standard: 3  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #13  
Difficulty Level: Moderate  
Learning Outcome: 13.2*

14. Wide spans of control allow managers to be much more hands-on with employees.

**FALSE**

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #14  
Difficulty Level: Moderate  
Learning Outcome: 13.2*

15. Organizations "let" a structure develop on its own without proactively designing it.

**FALSE**

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #15  
Difficulty Level: Moderate  
Learning Outcome: 13.3*

16. Dynamic environments allow organizations to focus on efficiency and require little change over time.  
(p. 348) **FALSE**
- AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #16  
Difficulty Level: Easy  
Learning Outcome: 13.3
17. Companies that focus on a low-cost producer strategy believe that people will pay more for a product that is unique in some way.  
(p. 350-351) **FALSE**
- AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #17  
Difficulty Level: Moderate  
Learning Outcome: 13.3
18. Companies that focus on a differentiation strategy are more likely to take a mechanistic approach to organizational design.  
(p. 351) **FALSE**
- AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #18  
Difficulty Level: Moderate  
Learning Outcome: 13.3
19. A simple structure makes perfect sense for a large organization.  
(p. 351) **FALSE**
- AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #19  
Difficulty Level: Easy  
Learning Outcome: 13.4
20. As an organization's size increases, it is incredibly difficult to develop some form of bureaucracy.  
(p. 351-352) **FALSE**
- AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #20  
Difficulty Level: Moderate  
Learning Outcome: 13.4
21. Small companies evolve into functionally-based structures as they grow larger.  
(p. 352) **TRUE**
- AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #21  
Difficulty Level: Moderate  
Learning Outcome: 13.4
22. Product structures group business units around different products that the company produces.  
(p. 355) **TRUE**
- AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #22  
Difficulty Level: Moderate  
Learning Outcome: 13.4
23. Client structure is one form of a multi-divisional structure.  
(p. 355) **TRUE**
- AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #23  
Difficulty Level: Moderate  
Learning Outcome: 13.4
24. The matrix represents a combination of a client structure and a product structure.  
(p. 355) **FALSE**
- AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #24  
Difficulty Level: Moderate  
Learning Outcome: 13.4

25. Organizational structures operate in different ways for employees and their managers.

(p. 358-359) **FALSE**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #25  
Difficulty Level: Moderate  
Learning Outcome: 13.5

26. Job performance is determined by organization structure.

(p. 358-359) **TRUE**

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #26  
Difficulty Level: Moderate  
Learning Outcome: 13.5

27. Changes to an organization's structure can have positive effects on the employees who work for the company, at least in the short term.

(p. 359) **FALSE**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #27  
Difficulty Level: Moderate  
Learning Outcome: 13.5

28. Restructuring efforts usually enhance employees' trust in the organization.

(p. 359) **FALSE**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #28  
Difficulty Level: Moderate  
Learning Outcome: 13.5

29. Many restructuring efforts are designed to remove one or more organizational layers to reduce costs.

(p. 359) **TRUE**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #29  
Difficulty Level: Moderate  
Learning Outcome: 13.5

30. Efforts to flatten can cause organizations to lay off several of the managers within the company.

(p. 360-361) **TRUE**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #30  
Difficulty Level: Moderate  
Learning Outcome: 13.5

31. To keep the stress level low and avoid two chains of command issues, Shiny Hair managers should adopt the matrix structure

(p. 355-356) **FALSE**

AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #31  
Difficulty Level: Easy  
Learning Outcome: 13.4

32. \_\_\_\_\_ formally dictates how jobs and tasks are divided and coordinated between individuals and groups within the company.

- A. Span of control
- B. Formalization
- C. Centralization
- D. Organizational structure**
- E. Chain of command

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #32  
Difficulty Level: Moderate  
Learning Outcome: 13.1

33. A drawing that represents every job in the organization and the formal reporting relationships between those jobs is called  
(p. 343)
- A. chain of command
  - B. organizational chart**
  - C. centralization
  - D. formalization
  - E. span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #33  
Difficulty Level: Easy  
Learning Outcome: 13.1

34. All of these are elements of organizational structure except  
(p. 343)
- A. chain of command
  - B. centralization
  - C. Idealized influence**
  - D. Formalization
  - E. Span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #34  
Difficulty Level: Moderate  
Learning Outcome: 13.2

35. The degree to which tasks in an organization are divided into separate jobs refers to  
(p. 344)
- A. centralization
  - B. chain of command
  - C. span of control
  - D. formalization
  - E. work specialization**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #35  
Difficulty Level: Moderate  
Learning Outcome: 13.2

36. Which element of organizational structure signifies formal authority relationships?  
(p. 345)
- A. Chain of command**
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #36  
Difficulty Level: Easy  
Learning Outcome: 13.2

37. Which of these represents how many employees each manager in the organization has responsibility for?  
(p. 345)
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Span of control**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #37  
Difficulty Level: Moderate  
Learning Outcome: 13.2

38. \_\_\_\_\_ refers to where decisions are formally made in the organization.

- (p. 347)
- A. Chain of command
  - B. Formalization
  - C. Centralization**
  - D. Work specialization
  - E. Span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #38  
Difficulty Level: Moderate  
Learning Outcome: 13.2

39. The degree to which rules and procedures are used to standardize behaviours and decisions in an organization refers to

- (p. 347)
- A. chain of command
  - B. formalization**
  - C. centralization
  - D. work specialization
  - E. span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #39  
Difficulty Level: Moderate  
Learning Outcome: 13.2

40. Which of these elements of organizational structure is also referred to as a company's division of labour?

- (p. 344)
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization**
  - E. Span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #40  
Difficulty Level: Easy  
Learning Outcome: 13.2

41. The question "who reports to whom?" is answered by which of these elements of organizational structure?

- (p. 345)
- A. Span of control
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. None of these**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #41  
Difficulty Level: Moderate  
Learning Outcome: 13.2

42. At Personal Touch, Inc., there is a total focus on providing care and satisfaction to each customer.

(p. 345) In the major clients division, each manager is assigned three employees to supervise, whereas in the product assembly division, each manager supervises about 15 employees. The major clients division managers can be described as having \_\_\_\_\_ as opposed to \_\_\_\_\_ for the product assembly division managers.

- A. narrow span of control; wide span of control**
- B. tall formalization; flat formalization
- C. narrow centralization; tall centralization
- D. wide span of control; narrow span of control;
- E. flat formalization; tall formalization

AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #42  
Difficulty Level: Moderate  
Learning Outcome: 13.2

43. \_\_\_\_\_ allow managers to be much more hands on with employees, giving them the opportunity to use directive leadership styles while developing close mentoring relationships with employees.  
(p. 346)
- A. Wide spans of control
  - B. High formalization
  - C. Low centralization
  - D. Narrow spans of control**
  - E. Low formalization

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #43  
Difficulty Level: Moderate  
Learning Outcome: 13.2

44. Current research suggests that a \_\_\_\_\_ span of control is best for an organization's productivity.  
(p. 346)
- A. wide
  - B. tall
  - C. moderate**
  - D. narrow
  - E. flat

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #44  
Difficulty Level: Moderate  
Learning Outcome: 13.2

45. A \_\_\_\_\_ span of control creates a \_\_\_\_\_ organization structure.  
(p. 346)
- A. wide; tall
  - B. tall; flat
  - C. moderate; narrow
  - D. narrow; tall**
  - E. flat; moderate

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #45  
Difficulty Level: Moderate  
Learning Outcome: 13.2

46. A \_\_\_\_\_ span of control creates a \_\_\_\_\_ organization structure.  
(p. 346)
- A. wide; flat**
  - B. tall; flat
  - C. moderate; narrow
  - D. narrow; flat
  - E. flat; moderate

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #46  
Difficulty Level: Moderate  
Learning Outcome: 13.2

47. At ABC Manufacturing, only the top managers have the authority to make final decisions on just about everything. ABC can be described as a highly \_\_\_\_\_ structure.  
(p. 347)
- A. wide
  - B. decentralized
  - C. moderate
  - D. narrow
  - E. centralized**

AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #47  
Difficulty Level: Moderate  
Learning Outcome: 13.2

48. If decision making is pushed down to lower level employees, and these employees feel empowered to make decisions on their own, an organization has a \_\_\_\_\_ structure.
- A. wide
  - B. decentralized**
  - C. moderate
  - D. narrow
  - E. centralized

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #48  
Difficulty Level: Moderate  
Learning Outcome: 13.2

49. Which of these are efficient, rigid, predictable, and standardized organizations that thrive in stable environments?
- A. Mechanistic organizations**
  - B. Client structure organizations
  - C. Multi-divisional organizations
  - D. Matrix organizations
  - E. Organic organizations

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #49  
Difficulty Level: Moderate  
Learning Outcome: 13.2

50. \_\_\_\_\_ organizations are flexible, adaptive, outward-focused organizations that thrive in dynamic environments.
- A. Mechanistic
  - B. Global
  - C. Multi-divisional
  - D. Matrix
  - E. Organic**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #50  
Difficulty Level: Moderate  
Learning Outcome: 13.2

51. Mechanistic organizations are typified by a structure that relies on all of these except
- A. high levels of formalization
  - B. a rigid and hierarchical chain of command
  - C. high degree of work specialization
  - D. wide spans of control**
  - E. centralization of decision making

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #51  
Difficulty Level: Hard  
Learning Outcome: 13.2

52. Organic organizations are typified by a structure that relies on which of these?
- A. High levels of formalization
  - B. A rigid and hierarchical chain of command
  - C. High degree of work specialization
  - D. Wide spans of control**
  - E. Centralization of decision making

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #52  
Difficulty Level: Moderate  
Learning Outcome: 13.2

53. Organic organizations are typified by a structure that relies on all of these except  
(p. 348)
- A. low levels of formalization
  - B. weak chains of command
  - C. high degree of work specialization**
  - D. wide spans of control
  - E. all of these are typically found in an organic structure

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #53  
Difficulty Level: Hard  
Learning Outcome: 13.2

54. Which of these organizational structure elements is typically found in a mechanistic structure?  
(p. 347-348)
- A. Low levels of formalization
  - B. Weak chains of command
  - C. High degree of work specialization**
  - D. Wide spans of control
  - E. All of these are typically found in an organic structure

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #54  
Difficulty Level: Moderate  
Learning Outcome: 13.2

55. The process of creating, selecting, or changing the structure of an organization refers to  
(p. 350)
- A. formalization
  - B. organization design**
  - C. specialization
  - D. spans of control
  - E. none of these

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #55  
Difficulty Level: Easy  
Learning Outcome: 13.3

56. One of the biggest factors of an environment's effect on structure is  
(p. 350)
- A. whether the outside environment is stable or dynamic**
  - B. extrinsic culture clashing with intrinsic values
  - C. internal factors affecting number of layers in an organization
  - D. competitor's structures matching industry needs
  - E. government mandates spans of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #56  
Difficulty Level: Moderate  
Learning Outcome: 13.3

57. Stable environments allow organizations to focus on  
(p. 350)
- A. flexibility
  - B. change
  - C. efficiency**
  - D. adaptation
  - E. none of these

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #57  
Difficulty Level: Moderate  
Learning Outcome: 13.3

58. Which of these describe an organization's objectives and goals and how it tries to capitalize on its assets to make money?  
(p. 350)
- A. Organization structure
  - B. Company technology
  - C. Business environment
  - D. Organization strategy**
  - E. Organizational chart

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #58  
Difficulty Level: Easy  
Learning Outcome: 13.3

59. Low cost producers are more likely to take which of these approaches to organizational design?  
(p. 350-351)
- A. Mechanistic**
  - B. Global
  - C. Multi-divisional
  - D. Matrix
  - E. Organic

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #59  
Difficulty Level: Moderate  
Learning Outcome: 13.3

60. Differentiators are more likely to take which of these approaches to organizational design?  
(p. 351)
- A. Mechanistic
  - B. Global
  - C. Multi-divisional
  - D. Matrix
  - E. Organic**

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #60  
Difficulty Level: Moderate  
Learning Outcome: 13.3

61. The method by which an organization transforms its inputs into outputs refers to its  
(p. 351)
- A. structure
  - B. technology**
  - C. environment
  - D. strategy
  - E. chart

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #61  
Difficulty Level: Easy  
Learning Outcome: 13.3

62. Southpark Erasures is the low-cost producer of one type of standard erasures. Given that it operates in a fairly stable environment, the company focuses on making its product as efficiently as possible. Which of these organizational structures may be appropriate for Southpark?  
(p. 350-351)
- A. Multi-divisional
  - B. Global
  - C. Mechanistic**
  - D. Matrix
  - E. Organic

AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #62  
Difficulty Level: Moderate  
Learning Outcome: 13.3

63. Queen City Furniture is a custom manufacturer of hand-crafted furniture. The company has 94 locations throughout the country and relies on decentralized decision making to meet the needs of the dynamic environment and customer needs. Which of these organizational structures may be appropriate for Queen City Furniture?

(p. 350-351)

- A. Simple
- B. Global
- C. Mechanistic
- D. Organic**
- E. Matrix

AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #63  
Difficulty Level: Moderate  
Learning Outcome: 13.3

64. As organizations become larger, they tend to become more \_\_\_\_\_ in nature

(p. 351)

- A. simple
- B. global
- C. mechanistic**
- D. organic
- E. matrix

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #64  
Difficulty Level: Moderate  
Learning Outcome: 13.3

65. \_\_\_\_\_ structures are perhaps the most common form of organizational design.

(p. 351)

- A. Simple**
- B. Functional
- C. Client-based
- D. Product
- E. Matrix

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #65  
Difficulty Level: Moderate  
Learning Outcome: 13.4

66. More than \_\_\_\_\_ percent of employing organizations have fewer than \_\_\_\_\_ employees.

(p. 351)

- A. 20; 62
- B. 53; 47
- C. 10; 500
- D. 80; 19**
- E. 50; 50

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #66  
Difficulty Level: Hard  
Learning Outcome: 13.4

67. A bureaucratic structure is an organizational form that exhibits many of the facets of the \_\_\_\_\_ organization.

(p. 352)

- A. simple
- B. global
- C. adaptive
- D. organic
- E. mechanistic**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #67  
Difficulty Level: Moderate  
Learning Outcome: 13.4

68. \_\_\_\_\_ are designed for efficiency and rely on high levels of work specialization, formalization, centralization of authority, rigid and well-defined chains of command, and relatively narrow spans of control.

- A.** Bureaucracies
- B. Simple structures
- C. Adaptive organizations
- D. Organic structures
- E. None of these

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #68  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

69. The most basic bureaucratic structure is the \_\_\_\_\_ structure.

- (p. 352) A. client-based
- B. product
- C. geographic
- D.** functional
- E. simple

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #69  
Difficulty Level: Easy  
Learning Outcome: 13.4*

70. At ABC Manufacturing, employees are grouped according to their expertise in an area. All marketing employees are in one department, all finance employees are grouped in another department and similarly, all human resources and manufacturing employees are in their respective departments. ABC can be said to have which of these structures?

- (p. 352) A. Client-based
- B. Product
- C. Geographic
- D.** Functional
- E. Simple

*AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #70  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

71. The biggest weakness of a functional structure is that

- (p. 353) A. organization as a whole has a relatively narrow focus
- B. organization has fewer product lines or services
- C. it operates in a stable environment
- D.** employees lose sight of bigger organizational picture
- E. all of these

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #71  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

72. When General Motors groups its business units around the different lines of cars such as Chevrolet, Buick, Oldsmobile, Pontiac, and Cadillac, it is creating which of these structures?

- (p. 355) A. Client-based
- B.** Product
- C. Geographic
- D. Functional
- E. Simple

*AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #72  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

73. Canadian Toy Manufacturer (CTM) groups its business units around the following divisions: educational toys, girl's toys, boy's toys, and electronic toys. CTM has created which of these organizational structures?
- A. Client-based
  - B. Product**
  - C. Geographic
  - D. Functional
  - E. Simple

*AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #73  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

74. When Candies R Us groups its business units according to where they do business such as North America division, Europe division, Asia division, and Africa division, it is creating which of these organizational structures?
- A. Client-based
  - B. Product
  - C. Geographic**
  - D. Functional
  - E. Simple

*AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #74  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

75. When a company organizes its activities according to where they do business, such as Northeast, Southeast, Northwest, Southwest, Midwest, etc., it is creating which of these organizational structures?
- A. Simple
  - B. Product
  - C. Client-based
  - D. Functional
  - E. Geographic**

*AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #75  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

76. Star Brokerage, Inc. (SBI) has grouped its work around the size and type of accounts they serve: Institutional Accounts, Pension Fund Accounts, and Personal Accounts. SBI has created which of these organizational structures?
- A. Client-based**
  - B. Product
  - C. Geographic
  - D. Functional
  - E. Simple

*AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #76  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

77. A more complex forms of organizational design that try to take advantage of two types of structures at the same time are called \_\_\_\_\_ structures.

- A. simple
- B. functional
- C. client-based
- D. product
- E. matrix**

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #77  
Difficulty Level: Moderate  
Learning Outcome: 13.4

78. At Modern Technology, employees are grouped according to their functional expertise as well as the different key product lines that they are working on. Hence, the company has simultaneously created a combination of a functional and a product structure. This is an example of which of these?

- A. Conglomerate
- B. Matrix**
- C. Geographic
- D. Global
- E. Simple

AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #78  
Difficulty Level: Moderate  
Learning Outcome: 13.4

79. Matrix structure gives each employee \_\_\_\_\_ chain(s) of command.

- A. numerous
- B. at least four
- C. two**
- D. infinite
- E. one

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #79  
Difficulty Level: Moderate  
Learning Outcome: 13.4

80. \_\_\_\_\_ structure gives each employee two chains of command, two groups with which to interact, and two sources of information to consider.

- A. Client-based
- B. Cross-border
- C. Geographic
- D. Matrix**
- E. Product

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #80  
Difficulty Level: Moderate  
Learning Outcome: 13.4

81. The process of changing an organizational structure is called

- A. restructuring**
- B. organic structure
- C. company strategy
- D. formalization
- E. work specialization

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #81  
Difficulty Level: Easy  
Learning Outcome: 13.5

82. According to research, restructuring has \_\_\_\_\_ effect on task performance.  
(p. 360)
- A. a strong positive
  - B.** a small negative
  - C. no
  - D. a strong negative
  - E. a moderate positive

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #82  
Difficulty Level: Hard  
Learning Outcome: 13.5

83. Restructuring has \_\_\_\_\_ effect on commitment.  
(p. 360)
- A. a strong positive
  - B. a weak negative
  - C. no
  - D. a moderate positive
  - E.** a moderate negative

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #83  
Difficulty Level: Hard  
Learning Outcome: 13.5

84. The first step in adapting to the environment is  
(p. 360)
- A. restructuring
  - B.** recognizing the need to change
  - C. evaluating the external environment
  - D. evaluating the internal environment
  - E. exploring the competitor's structures

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #84  
Difficulty Level: Moderate  
Learning Outcome: 13.5

85. A common kind of restructuring in recent years has been which of these?  
(p. 359)
- A. From a functional to a geographic-based
  - B. From a product to a client-based
  - C. From bureaucratic to a simple structure
  - D.** A flattening of the organization
  - E. Creating a tall structure in the organization

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #85  
Difficulty Level: Moderate  
Learning Outcome: 13.5

86. Why do so many organizations restructure today by flattening the structure?  
(p. 359-360)
- A. Research shows that it improves employee morale
  - B. It provides more rewards for fewer employees
  - C.** To increase efficiency
  - D. It creates a government subsidy qualification
  - E. None of these

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #86  
Difficulty Level: Moderate  
Learning Outcome: 13.5

87. Which of these can help reduce negative effects of restructuring efforts in an organization?  
(p. 361) **A.** Frequent communication and participation  
B. More money to layoff survivors  
C. More work to take their mind off of layoffs  
D. Higher degree of stress to increase productivity  
E. Getting rid of work that was originally done by laid-off employees

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #87  
Difficulty Level: Moderate  
Learning Outcome: 13.5

**Scenario: Northview Carpets**

Jerry is the project manager of the corporate structure team at Northview Carpets. Jerry's team has been assigned the task to study and evaluate Northview's organizational structure. To collect the preliminary information, Jerry divided the tasks among the team members to collect information on different elements of Northview's structure. Raj was asked to collect information on the degree to which tasks are divided into separate jobs. Alex was asked to collect information on formal authority relationships, Amanda started looking into how many employees each manager has responsibility for, and Kristine was asked to collect evidence on the degree to which rules and procedures are used to standardize behaviours at Northview. Jerry decided to collect information and evidence on where exactly decisions are formally made at Northview. The team decided to meet with information in two weeks.

Colquitt - Chapter 13

88. Jerry is collecting information on which element of organizational structure?  
(p. 347) A. Chain of command  
B. Formalization  
**C.** Centralization  
D. Work specialization  
E. Span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #88  
Difficulty Level: Moderate  
Learning Outcome: 13.2

89. Raj was asked to collect information on which element of organizational structure?  
(p. 344) A. Chain of command  
B. Formalization  
C. Centralization  
**D.** Work specialization  
E. Span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #89  
Difficulty Level: Moderate  
Learning Outcome: 13.2

90. Amanda is looking into information on which element of organizational structure?  
(p. 345) A. Chain of command  
B. Formalization  
C. Centralization  
D. Work specialization  
**E.** Span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #90  
Difficulty Level: Moderate  
Learning Outcome: 13.2

91. Alex was asked to collect information on which element of organizational structure?

(p. 345))

- A.** Chain of command
- B. Formalization
- C. Centralization
- D. Work specialization
- E. Span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #91  
Difficulty Level: Moderate  
Learning Outcome: 13.2

92. Kristine was asked to collect evidence on which element of organizational structure?

(p. 347))

- A. Chain of command
- B.** Formalization
- C. Centralization
- D. Work specialization
- E. Span of control

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #92  
Difficulty Level: Moderate  
Learning Outcome: 13.2

### **Scenario: Shiny Hair, Inc**

Shiny Hair, Inc. is growing very fast in both sales and number of employees. It manufactures and sales hair products for youth, male, female, elderly, and ethnic population all over the Canada and several other countries. So far the company followed a simple structure, however, with fast-paced growth; it has become a necessity that the company explore other organizational structures. James, a long-time employee at shiny Hair, has collected information on how some of their competitors have organized their companies. Haircare groups their employees by their different area expertise such as marketing, finance, human resources and operations. HairOil, primarily in United States, groups their activities as northeast division, southeast division, northwest division, southwest division, and central division. CurlyHair has organized their employees according to the accounts they serve such as Large Company contracts, Internet Sales, Individual Sales, and Small Salon Direct Sales. Finally, Colors International has grouped their business units around popular colors such as Red Division, Silver Division, rainbow Division, Black and Brown Division, and Shades of Blonde Division.

Colquitt - Chapter 13

93. Which of these describes HairOil's organizational structure?

(p. 355))

- A. Client-based
- B. Product
- C.** Geographic
- D. Functional
- E. Matrix

AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #93  
Difficulty Level: Moderate  
Learning Outcome: 13.4

94. Which of these describes CurlyHair's organizational structure?

(p. 355))

- A.** Client-based
- B. Product
- C. Geographic
- D. Functional
- E. Matrix

AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #94  
Difficulty Level: Moderate  
Learning Outcome: 13.4

95. Which of these describes Colors International's organizational structure?

- (p. 355))
- A. Client-based
  - B. Product**
  - C. Geographic
  - D. Functional
  - E. Matrix

AACSB Standard: 6  
Blooms Taxonomy: Application  
Colquitt - Chapter 13 #95  
Difficulty Level: Moderate  
Learning Outcome: 13.4

96. Which of the following, to some degree, is a never-ending trade-off among productivity, flexibility, and worker motivation?

- (p. 344-345))
- A. Chain of command
  - B. Formalization
  - C. Centralization
  - D. Work specialization**
  - E. Span of control

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #96  
Difficulty Level: Easy  
Learning Outcome: 13.2

97. Organizations depend on which flow of authority to attain order, control, and predictable performance?

- (p. 345))
- A. Span of control
  - B. Formalization
  - C. Centralization
  - D. Work specialization
  - E. Chain of command**

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #97  
Difficulty Level: Moderate  
Learning Outcome: 13.2

98. Span of control is associated with which of the following?

- (p. 345))
- A. The degree to which tasks in an organization are divided into separate jobs.
  - B. Answers the question of "Who reports to whom?" and signifies formal authority relationships.
  - C. Refers to where decisions are formally made in organizations.
  - D. Each manager represents how many employees he/she is responsible for in the organization.**
  - E. The degree to which rules and procedures are used to standardize behaviours and decisions in an organization.

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #98  
Difficulty Level: Easy  
Learning Outcome: 13.2

99. Which of the following is a necessary coordination mechanism that organizations rely on to get a standardized product or deliver a standardized service?

- (p. 347))
- A. Formalization**
  - B. Centralization
  - C. Span of control
  - D. Chain of command
  - E. Work specialization

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #99  
Difficulty Level: Easy  
Learning Outcome: 13.2

100. Which of these is associated with decentralization in decision making?

(p. 347))

- A. Moderate spans of control
- B. Tall spans of control
- C. Wide spans of control**
- D. Narrow spans of control
- E. Flat spans of control

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #100  
Difficulty Level: Easy  
Learning Outcome: 13.2

101. Which of the following encourages employees to develop knowledge and expertise outside of their specialization?

(p. 350))

- A. Multi-divisional organizations
- B. Matrix organizations
- C. Organic organizations**
- D. Mechanistic organizations
- E. Global organizations

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #101  
Difficulty Level: Moderate  
Learning Outcome: 13.2

102. All of the following are characteristics of mechanistic organizations except:

(p. 347-348))

- A. high degree of work specialization.
- B. very clear lines of authority.
- C. knowledge and expertise are decentralized.**
- D. high levels of hierarchical control.
- E. information is passed through vertical communication between an employee and his/her supervisor.

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #102  
Difficulty Level: Moderate  
Learning Outcome: 13.2

103. Which of the following statements about an organization's dynamic business environment is true?

(p. 350))

- A. It does not change frequently.
- B. It allows organizations to primarily focus on efficiency.
- C. Any changes that occur in dynamic environments happen very slowly.
- D. It requires little change over time.
- E. It requires organizations to have structures that are more adaptive.**

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #103  
Difficulty Level: Moderate  
Learning Outcome: 13.3

104. A \_\_\_\_\_ structure is a flat organization with one person as the central decision-making figure.

(p. 351))

- A. functional
- B. product
- C. client-based
- D. simple**
- E. matrix

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #104  
Difficulty Level: Easy  
Learning Outcome: 13.4

105. All of the following are associated with simple structures except:  
(p. 351))
- A. it is used by extremely small organizations in which the manager, president, and owner are all the same person.
  - B. it is not large enough to have a high degree of formalization.
  - C. it will only have very basic differences in work specialization.
  - D.** it has high degree of work specialization that is centrally coordinated.
  - E. it is the most common form of organizational design.

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #105  
Difficulty Level: Moderate  
Learning Outcome: 13.4

106. Which of the following structures are extremely efficient when the organization as a whole has a relatively narrow focus, fewer product lines or services, and a stable environment?  
(p. 351))
- A. Client-based
  - B. Product
  - C. Geographic
  - D.** Functional
  - E. Simple

AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #106  
Difficulty Level: Easy  
Learning Outcome: 13.4

107. Which of the following are bureaucratic organizational forms in which employees are grouped into divisions around products, geographic regions, or clients?  
(p. 352-354))
- A. Mechanistic structures
  - B. Global structures
  - C.** Multi-divisional structures
  - D. Matrix structures
  - E. Organic structures

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #107  
Difficulty Level: Easy  
Learning Outcome: 13.4

108. Which of the following structures generally develop from companies with functional structures whose interests and goals become too diverse for that structure to handle?  
(p. 353-354))
- A. Mechanistic
  - B. Global
  - C.** Multi-divisional
  - D. Matrix
  - E. Organic

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #108  
Difficulty Level: Easy  
Learning Outcome: 13.4

109. Which of the following structures makes sense when firms diversify to the point that the products they sell are so different that managing them becomes overwhelming?  
(p. 355))
- A. Client-based
  - B.** Product
  - C. Geographic
  - D. Functional
  - E. Simple

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #109  
Difficulty Level: Easy  
Learning Outcome: 13.4

110. Which of the following structures revolve around the different tastes of customers in different regions and the size of the locations that need to be covered by different salespeople?  
(p. 355))
- A. Client-based
  - B. Product
  - C. Geographic**
  - D. Functional
  - E. Simple

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #110  
Difficulty Level: Easy  
Learning Outcome: 13.4

111. Which structure allows an organization to put together very flexible teams based on the experiences and skills of their employees?  
(p. 355-356))
- A. Simple
  - B. Functional
  - C. Client-based
  - D. Product
  - E. Matrix**

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #111  
Difficulty Level: Moderate  
Learning Outcome: 13.4

112. As teams become a more common form of organizing work, the number of organizations using which structure is growing?  
(p. 356)
- A. Client-based
  - B. Cross-border
  - C. Geographic
  - D. Matrix**
  - E. Product

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #112  
Difficulty Level: Moderate  
Learning Outcome: 13.4

113. All of the following are elements of an organizational structure except:  
(p. 344)
- A. work specialization.
  - B. simple structure.**
  - C. chain of command.
  - D. span of control.
  - E. formalization.

AACSB Standard: 3  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #113  
Difficulty Level: Easy  
Learning Outcome: 13.5

114. Which of the following statements about restructuring is false?  
(p. 360)
- A. It hinders learning and decision making.
  - B. It can increase stress.
  - C. It has a significant negative effect on organizational commitment.
  - D. It can jeopardize employees' trust in the organization.
  - E. It has a moderate positive effect on task performance.**

AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #114  
Difficulty Level: Moderate  
Learning Outcome: 13.5

115. All of the following can be done by managers to help layoff survivors except:  
(p. 361)
- A. give them a stronger sense of control.
  - B. allow them to have a voice in how to move forward.
  - C.** give them more tasks to do to take their minds off the layoff.
  - D. help set the plans about how to accomplish future goals.
  - E. have honest and frequent communication with them.

*AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #115  
Difficulty Level: Moderate  
Learning Outcome: 13.5*

116. Briefly describe the elements of organizational structure. Provide an example of each element.  
(p. 344)

Please see Table 13-1 in the text for elements of organizational structure.

*AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #116  
Difficulty Level: Moderate  
Learning Outcome: 13.2*

117. Define span of control. Describe the relationship between span of control and organizational performance.  
(p. 345-347)

A manager's span of control represents how many employees he or she is responsible for in an organization. Narrow spans of control allow managers to be much more hands-on with employees, giving them the opportunity to use directive leadership styles while developing close mentoring relationships with employees. Please see Figure 13-2 in the text for the relationship between span of control and organizational performance.

*AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #117  
Difficulty Level: Moderate  
Learning Outcome: 13.2*

118. Differentiate between mechanistic and organic structures.  
(p. 347-350)

Please see Table 13-2 in the text for characteristics of mechanistic versus organic structures.

*AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #118  
Difficulty Level: Moderate  
Learning Outcome: 13.2*

119. Briefly describe the factors that influence the process of organizational design.  
(p. 350-351)

The factors include the environment in which the organization does business, its strategy and technology, and the size of the firm.

*AACSB Standard: 6  
Blooms Taxonomy: Knowledge  
Colquitt - Chapter 13 #119  
Difficulty Level: Moderate  
Learning Outcome: 13.3*

120. Differentiate between functional and multi-divisional structures. Provide a diagram of each.

(p. 352-354)

A functional structure groups employees by the functions they perform for the organization such as marketing, or finance, or human resources; whereas multi-divisional structures are bureaucratic organizational forms in which employees are grouped into divisions around product, geographic regions, or clients.

*AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #120  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

121. Using diagrams, describe the three multi-divisional structures.

(p. 354)

Please see Figure 13-4 in the text.

*AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #121  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

122. Define matrix structure. Identify a strength and a weakness of such a structure from an employee's viewpoint.

(p. 355-356)

Matrix structures are more complex forms of organizational design that try to take advantage of two types of structures at the same time. A strength from an employee's viewpoint is that this structure gives each employee two groups with which to interact and two sources of information to consider. A weakness is that this structure, given the two chains of command, can create high levels of stress for employees.

*AACSB Standard: 6  
Blooms Taxonomy: Analysis  
Colquitt - Chapter 13 #122  
Difficulty Level: Moderate  
Learning Outcome: 13.4*

123. What steps can an organization take to reduce the negative effects of restructuring efforts on employees? Explain.

(p. 360-361)

The negative effects are higher stress and uncertainty. Managing layoff survivors is one step. Frequent communication and participation in decision making is another.

*AACSB Standard: 6  
Blooms Taxonomy: Comprehension  
Colquitt - Chapter 13 #123  
Difficulty Level: Moderate  
Learning Outcome: 13.5*

# Chapter 13 Summary

<u>Category</u>	<u># of Questions</u>
AACSB Standard: 3	22
AACSB Standard: 6	101
Blooms Taxonomy: Analysis	1
Blooms Taxonomy: Application	15
Blooms Taxonomy: Comprehension	20
Blooms Taxonomy: Knowledge	87
Colquitt - Chapter 13	125
Difficulty Level: Easy	23
Difficulty Level: Hard	8
Difficulty Level: Moderate	92
Learning Outcome: 13.1	3
Learning Outcome: 13.2	42
Learning Outcome: 13.3	19
Learning Outcome: 13.4	41
Learning Outcome: 13.5	18