

**OM\_MBA\_2015F\_Mid-term\_pretest\_final sets****True/False**

*Indicate whether the statement is true or false.*

1. A task force is located in one department but has the responsibility for communicating and achieving coordination with another department.
2. The amount of written documentation in the organization is called formalization.
3. Indicators of effectiveness are quantitative but not qualitative in nature.
4. Organizations are currently operating in a stable environment, so managers can focus on designing structures and systems that keeps the organization running efficiently.
5. A key element of an organization is a building or set of policies and procedures, not the people and their relationships.
6. The four structural dimensions of organization design are formalization, specialization, culture, and environment.
7. Efficiency refers to the amount of resources used to achieve the organization's goals, whereas effectiveness refers to the degree to which an organization achieves its goals.
8. The classical perspective of organization design sought to make organizations run like learning organizations in a turbulent environment.
9. Contingency means that one thing depends on other things, and for organizations to be effective, there must be a "goodness of fit" between their structure and the conditions of their external environment.
10. The new mindset has spurred many organizations to shift from strict horizontal hierarchies to centralized structures.
11. Horizontal linkages are used to coordinate activities between the top and bottom of an organization and are designed primarily for control of the organization, whereas vertical linkages refers to the amount of communication and coordination across organizational departments.
12. It would be logical for a full-time integrator to have no direct subordinates.
13. Divisional structure may be organized by product, services, major projects or programs, or profit centers.
14. A strength of the divisional structure compared to the functional structure is that it tends to decentralize decision making.
15. Most companies combine characteristics of multiple structures to take advantage of the strengths and avoid some of the weaknesses.
16. The highest level of horizontal coordination is relational coordination.
17. The low-cost leadership strategy is known for requiring skills based on strong marketing ability, creative flair, strong capability in basic research, and corporate reputation for technological leadership.
18. The internal process approach looks at the input side of the transformation process.

**Multiple Choice**

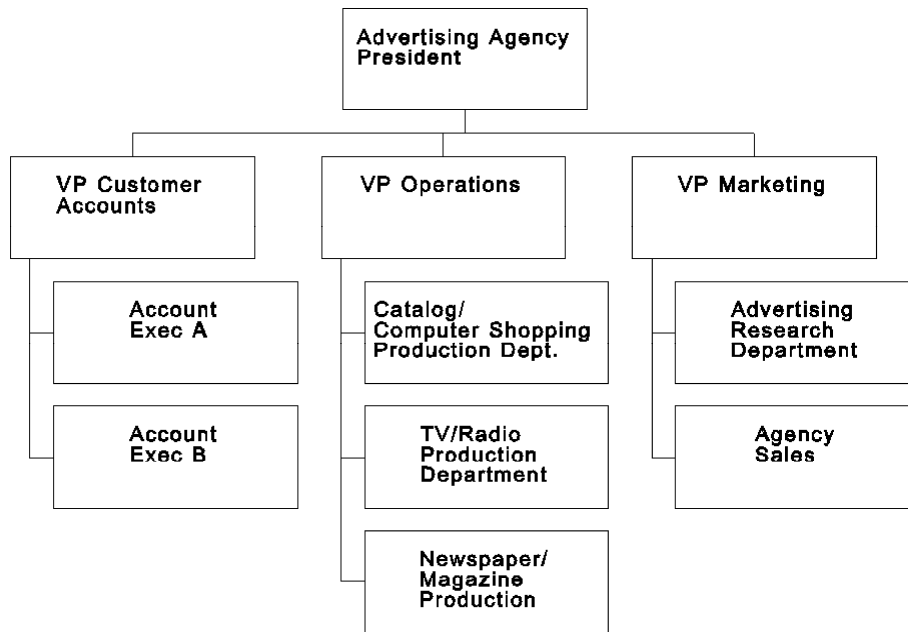
Identify the choice that best completes the statement or answers the question.

1. The matrix structure is the correct structure when three conditions are met. Which of the following is one of these three conditions?
  - a. Technical quality is not very important.
  - b. The environmental domain of the organization is certain and stable.
  - c. Pressure exists to share scarce resources across product lines.
  - d. The environmental domain of the organization is simple.
2. What is likely to be the result if a domestic company that manufactures four different types of products changes from a functional structure to a divisional structure?
  - a. Lower fixed costs
  - b. More centralized decision making
  - c. More technical development within functional areas
  - d. Better coordination within a product area between different functional areas
3. The definition of "organization" is:
  - a. a business that performs work activities and contributes to its society by employing people.
  - b. an entity with identifiable permanent boundaries.
  - c. a goal-directed entity that has members who set goals and achieve them through strategic planning.
  - d. a social entity that is goal-directed, has a deliberately-structured activity system, and is linked to the external environment.
4. If one is measuring work climate, group loyalty, and worker-management communication as a measure of effectiveness, what approach is most likely being used:
  - a. Quality control.
  - b. Strategic human resources.
  - c. Internal process.
  - d. Stakeholder approach.
5. \_\_\_\_\_ describes who reports to whom and the span of control for each manager.
  - a. Centralization
  - b. Hierarchy of authority
  - c. Specialization
  - d. Formalization
6. \_\_\_\_\_ are used to coordinate activities between the top and bottom of an organization and are designed primarily for control of the organization.
  - a. Horizontal linkages
  - b. Functional groupings
  - c. Divisional groupings
  - d. Vertical linkages
7. The degree to which organizational tasks are subdivided into separate jobs is referred to as
  - a. centralization.
  - b. specialization.
  - c. professionalism.
  - d. formalization.
8. When problems and decisions are funneled to top levels of the hierarchy for resolution, \_\_\_\_\_ is being used.
  - a. horizontal linkage
  - b. centralized decision making
  - c. functional structure
  - d. full-time integration
9. Horizontal linkage mechanisms:
  - a. cause employees to experience the confusion of not having unity of command.
  - b. should be avoided because they confuse vertical linkages.
  - c. must be added to a divisional structure to coordinate across functional areas.
  - d. enable people in different functional departments to exchange information.
10. A(n) \_\_\_\_\_ design means that the organization is much looser, free-flowing, and adaptive.
  - a. mechanistic
  - b. flexible
  - c. centralized
  - d. organic
11. A(n) \_\_\_\_\_ design means that the organization is characterized by machine-like standard rules, procedures, and a clear hierarchy of authority.
  - a. chaos
  - b. mechanistic
  - c. contingency
  - d. organic

12. Youna Kim, a management consultant, successfully implemented an MBO program on his first consulting job. She now recommends MBO to all her clients. In so doing, our text would say the main point is that she is ignoring:
  - a. the latest techniques for solving problems.
  - b. the principles of contingency theory.
  - c. the external environment of the organization.
  - d. the internal environment of the organization.
13. Which of the following is not a weakness of a matrix organization structure?
  - a. Requires great effort to maintain power balance.
  - b. Causes participants to experience dual authority.
  - c. Will not work unless participants understand it and adopt collegial rather than vertical type relationships.
  - d. Determining core processes is difficult and time consuming.
14. At an Internet company, all the people associated with maintaining the website are grouped together in one department. This is an example of \_\_\_\_\_ grouping.
  - a. multi-focused
  - b. divisional
  - c. functional
  - d. horizontal
15. \_\_\_\_\_ refers to the amount of resources used to achieve the organization's goals.
  - a. Stakeholder approach
  - b. Resource management
  - c. Effectiveness
  - d. Efficiency
16. \_\_\_\_\_ refers to the tools, techniques, and actions used to transform inputs into outputs.
  - a. Culture
  - b. Organizational technology
  - c. Size
  - d. Goals
17. Contingency means that:
  - a. organizations should be structured loosely.
  - b. one thing depends on other things, such as structure depending on environment.
  - c. the key contingent of workers should be college graduates.
  - d. management structure is determined by the era or times.
18. In Miles and Snows's Strategy Typology, the prospector:
  - a. seeks innovation or risk taking and is therefore best suited to the dynamic environment.
  - b. responds to environmental threats in an ad hoc fashion without revealing a clear strategy.
  - c. most closely resembles Porter's Low-Cost Leadership strategy.
  - d. attempts to maintain a stable business environment by finding a middle ground between stability and innovation.
19. Which of the following is not a component in the definition of organization structure?
  - a. It designates formal reporting relationships, including the number of levels in the hierarchy and the span of control of managers and supervisors.
  - b. It identifies the grouping together of individuals into departments and of departments into the total organization.
  - c. It includes the design systems to ensure effective communication, coordination, and integration of effort across each position.
  - d. It identifies the tasks and processes for each position within the organization.
20. A plan for interacting with the competitive environment to achieve organizational goals is referred to as:
  - a. strategy.
  - b. design.
  - c. structure.
  - d. culture.
21. Which of the following means employees are organized around core work processes, the end-to-end work, information, and material flows that provide value directly to customers?
  - a. Departmental grouping
  - b. Divisional grouping
  - c. Multifocused grouping
  - d. Horizontal grouping
22. In a \_\_\_\_\_ matrix, the project/product managers have primary authority and functional managers simply assign technical personnel to projects and provide advisory expertise as needed.
  - a. product
  - b. divisional
  - c. virtual
  - d. functional

23. A \_\_\_\_\_ is a temporary committee composed of representatives from each organizational unit affected by a problem.
- virtual team
  - task force
  - top management team
  - functional team
24. Two comparably sized colleges are located in adjacent towns. The admissions counselors of College A have been telling prospective students that College A is better than College B because their latest freshman class has 150 more students than the freshman class at College B. The admissions counselors of College A are using the \_\_\_\_\_ effectiveness approach.
- resource-based
  - competing values
  - internal process
  - goal
25. Which of the following is made up of organizationally or geographically dispersed members who are linked primarily through advanced information and communications technologies?
- Full-time integrators
  - Information systems
  - Task forces
  - Virtual teams
26. \_\_\_\_\_ dimensions provide labels to describe the internal characteristics of an organization.
- Contingency
  - Stakeholder
  - Subsystem
  - Structural
27. The key element of an organization is its
- buildings and policies.
  - people and their relationships.
  - profits.
  - facilities location.
28. Contingency factors
- represent only the external environment.
  - are centralization and personnel ratios.
  - represent only the organization characteristics.
  - include size and environment.
29. \_\_\_\_\_ refers to the hierarchical level that has authority to make decisions.
- Hierarchy of authority
  - Specialization
  - Centralization
  - Formalization
30. AT ABC Company, employees are encouraged to take care of problems by working with one another and with customers, using their discretion to make decisions. ABC Company is a \_\_\_\_\_ organization.
- decentralized
  - centralized
  - mechanistic
  - sustainable
31. \_\_\_\_\_ means decision making authority is pushed down to lower organizational levels.
- Centralized decision making
  - Horizontal linkage
  - Decentralized decision making
  - Vertical linkage
32. Which of the following mechanisms does not provide an improved degree of horizontal coordination and control?
- Information systems
  - Task forces
  - Hierarchical referral
  - Teams
33. \_\_\_\_\_ refers to communication and coordination horizontally across organizational departments.
- Horizontal linkage
  - Full-time integration
  - Horizontal information system
  - Vertical grouping
34. A liaison role exists when:
- there is direct contact between managers affected by a problem.
  - there is an exchange of paperwork about a problem.
  - a temporary committee composed of representatives from each department affected by a problem is formed.
  - a person located in one department had the responsibility for communicating and achieving coordination with another department.

35. A full-time integrator:
- improves vertical linkage of the organization.
  - has a title such as product manager.
  - reports to one of the functional departments being coordinated.
  - has the responsibility of coordinating only one department.
36. Young-Ae is the vice president of marketing for her company. Other officers in the company include the vice presidents of engineering, production, finance, and human resource management. The structure of this small company is likely to be:
- product.
  - matrix.
  - functional.
  - hybrid.
37. Which of the following is NOT a strength of a functional organization structure?
- Allows economies of scale within functional departments.
  - Is best with only one or a few products.
  - Enables in-depth knowledge and skill development.
  - Leads to customer satisfaction because product responsibility and contact points are clear.
38. A company that wishes to maintain the basic functional structure, but is having difficulty coordinating across departments because of growth:
- should install horizontal linkages.
  - should realize that the functional structure cannot work and abandon it for a matrix.
  - may find it necessary to abolish liaison roles.
  - can profit most by adding more functional departments.
39. All of the following are strengths of a divisional organization structure, except:
- it allows units to adapt to differences in products, regions, customers.
  - it involves high coordination across functions.
  - it centralizes decision making.
  - it is best in large organizations with several products.

**Organization Chart 3.1**

40. Reference Organization Chart 3.1. Which of the following is correct?
- The structure is divisional.
  - The structure is primarily functional.
  - The customer accounts section should be dissolved and made to report to marketing.
  - Hierarchical referral is the best means for coordination in this organization.
41. In the horizontal structure, it is said that:
- the process owner is responsible for coordinating the core process in its entirety.
  - because team members become recognized experts in a single area, cross-training that characterizes other organizational forms is limited.
  - boundaries between departments are clearly defined to ensure functional expertise.
  - if the organization has been rooted in strict vertical, hierarchical structure, it is ready for immediate and rapid implementation of the horizontal structure.
42. Potential weaknesses of the horizontal structure include:
- it is considered inflexible and slow in response to rapid changes in customer needs.
  - determining core processes to organize around is often difficult.
  - there is a failure to promote teamwork.
  - views of organizational goals by employees focuses into too narrow of a perspective.
43. With a \_\_\_\_\_, the firm subcontracts most of its major functions or processes to separate companies and coordinates their activities from a small headquarters organization.
- virtual network structure
  - matrix structure
  - divisional structure
  - functional structure
44. Hyunsoo is an engineer at ABC Technologies. His office is located in the manufacturing area so that he is readily available for discussions with manufacturing supervisors about engineering problems with the manufactured products. Benjamin occupies a(n):
- liaison role.
  - task role.
  - integrator role.
  - functional role.
45. \_\_\_\_\_ refers to frequent, timely, problem-solving communication carried out through relationships of shared goals, shared knowledge, and mutual respect.
- Horizontal linkage
  - Reengineering
  - Relational coordination
  - Functional grouping

46. A \_\_\_\_ strategy can reduce rivalry with competitors and fight off the threat of substitute products because customers are loyal to the company's brand.
- low-cost leadership
  - focused
  - defensive
  - differentiation
47. The \_\_\_\_ strategy tries to maintain a stable business while innovating on the periphery.
- reactor
  - prospector
  - analyzer
  - defender
48. Organization \_\_\_\_ needs to support the firm's competitive approach.
- financial standings
  - design characteristics
  - informal communication channel
  - environment for green movement
49. The extent to which goals are obtained is a traditional definition of the degree of \_\_\_\_ in the organization.
- efficiency
  - scientific management
  - strategy
  - effectiveness
50. The \_\_\_\_ approach to organizational effectiveness is concerned with the output side and whether the organization achieves its goals in terms of desired levels of output.
- goal
  - resource-based
  - analytical
  - internal process
51. The resource-based approach emphasizes the:
- Input into an organization.
  - Output of an organization.
  - Achievement of profitability.
  - Amount of inventory left idle by the organization.
52. One strength of the internal process approach is the fact that it:
- Tells management how well the internal processes mesh with the external environment.
  - Considers human resources and employee-oriented processes.
  - Emphasizes inputs into the organization.
  - Emphasizes outputs of the organization.

### Essay

- Draw and label a functional structure. Then draw a divisional structure, and take the same job titles you placed in the previous structure and label where they would be in the divisional structure. The resulting two diagrams should illustrate differences between the functional and divisional structure.
- Compare and contrast Porter's Competitive Strategies against Miles and Snow's Strategy Typology.
- Discuss the difference between a mechanistic and an organic organization design.
- Describe the difference between formalization and specialization. Is it possible for an organization to be high in one and low in the other or vice versa?
- You are in a job interview, and the interviewer is looking over your transcript. He says, "Oh, I see that you took a course in organization theory and design. What is that all about?" What do you answer?
- Explain in a general sense what about structure we can and cannot learn from an organization's flow chart. What structural and contextual variables that we study in organization theory appear on the organization chart?
- How can rules and plans serve as an information linking mechanism in organizations?

Name: \_\_\_\_\_

ID: A

8. Contrast the similarities and differences between a matrix organization and a functional structure with horizontal linkages. Explain about a situation or an organization in which you would actually prefer to utilize the functional structure with horizontal linkages over the matrix.
  
9. In an introductory management course, the professor was quoted as saying that "organizational effectiveness is simply the degree to which the organization achieves its pre-set goals." Is she correct?