

Chapter 3: Culture and Climate Considerations in High-Tech Companies
Mohr, Sengupta, Slater (3/e, 2010)
Test Bank

- 3-1. What is the role of organizational culture?
- Provide norms for individual and organizational behavior.
 - Create a sense of community.
 - Guide strategy development.
 - Enable employees to “unlearn” obsolete information and practices.
 - Focus the firm’s attention externally.

Answer: A **Page 83** **moderate**

- 3-2. Organizational climate is:
- another term for culture.
 - the environment in which the business competes.
 - the observable manifestation of culture.
 - most valuable when it is outward looking.
 - the foundation for innovation.

Answer: C **Page 83** **moderate**

- 3-3. The boom and bust nature of business cycles:
- often leads to cyclical funding cuts and spurts in R&D.
 - encourages most businesses to conserve cash during good times so that they can continue to invest when times are tough.
 - is not as common in markets for high-tech products as it is in markets for low-tech products.
 - is not as common in markets for low-tech products as it is in markets for high-tech products.
 - has less impact on businesses with a strong climate.

Answer: A **Page 84** **moderate**

- 3-4. Which of the following conditions **does not** facilitate a culture of innovativeness?
- Top management attention.
 - Bureaucratic mindset.
 - Willingness to cannibalize.
 - Product champions.
 - Learning orientation.

Answer: B **Page 84** **moderate**

- 3-5. _____ is the foundation for innovation.
- a. Propensity for risk
 - b. Experimentation
 - c. Creativity
 - d. Organizational architecture
 - e. Product leadership

Answer: C **Page 84** **easy**

- 3-6. Creative ideas :
- a. are novel and meaningful
 - b. are most likely to occur in bureaucratic organizations.
 - c. are most likely to be based on the firm's core competencies.
 - d. rarely result in the cannibalization of sales from current products.
 - e. are rarely generated through interactions with customers.

Answer: A **Page 85** **easy**

- 3-7. The most valuable creativity is:
- a. very free-wheeling.
 - b. technology driven.
 - c. often the result of the lone genius.
 - d. stimulated by the desire to stay ahead of competition.
 - e. disciplined by the organization's culture and climate.

Answer: E **Page 85** **moderate.**

- 3-8. Top managers positively drive innovation when they:
- a. have a future focus.
 - b. have an external focus.
 - c. view innovation is more than product development.
 - d. both a & b above.
 - e. all of the above

Answer: E **Page 85** **easy.**

- 3-9. The process of developing new technologies that may make current products obsolete and may even alienate customers is known as:
- a. competence killing.
 - b. unlearning.
 - c. competence exploration.
 - d. creative destruction.
 - e. technological orientation.

Answer: D **Page 86** **moderate.**

- 3-9. The people who create, define, or adopt an idea for an innovation and are willing to assume significant risk to make it happen are referred to as
- product champions.
 - investment bankers.
 - angels.
 - entrepreneurs.
 - leaders.

Answer: A **Page: 87** **easy**

- 3-11. A unit that senior managers isolate from normal corporate operations in order to protect creative individuals and corporate orthodoxy is known as:
- an R&D center.
 - a skunk works.
 - a new venture division.
 - an innovation engine.
 - a heavyweight organization.

Answer: B **Page 87** **easy**

- 3-12. Skunk works are thought by some to be an important way to foster innovativeness within large corporations, yet others argue that they are a sign that the corporation lacks innovativeness. Which of the following statements best summarizes arguments *in favor of* using skunk works to promote innovation?
- They protect imaginative individuals from corporate bureaucracy that might hamper innovativeness.
 - They allow individual creativity to flourish *within* the normal operating climate.
 - They are “orphanages” that separate creativity from the corporate hierarchy.
 - They address the underlying, systemic reasons that large corporations lack innovativeness.
 - Skunk works are the best way to allow a brick-and-mortar company to compete in an on-line world.

Answer: A **Page 88** **moderate**

- 3-13. Firms that invest resources to acquire entirely new knowledge, skills, and processes, that have the potential to influence the firm’s direction practice
- market pioneering.
 - expeditionary marketing.
 - learning orientation.
 - competence exploration.
 - value creation.

Answer: C **Page 88** **moderate**

- 3-14. Unlearning is important primarily because
- it rejuvenates the organization.
 - it facilitates expeditionary marketing.
 - it reduces risk.
 - it enhances speed to market .
 - knowledge can become obsolete.

Answer: E **Page 89** **easy**

- 3-15. Which of the following is not an element of corporate imagination?
- Overturn price–performance assumptions
 - Escape the tyranny of the served market
 - Use new sources of ideas for innovative product concepts
 - Get out in front of customers
 - Identify a network of “Angels”

Answer: E **Page: 89** **easy**

- 3-16. All of the following are characteristics or advantages of expeditionary marketing except that it
- maximizes the odds that the product delivered to the market meets the customers’ needs.
 - speeds time to market.
 - allows company to learn quickly and modify product offerings based on marketplace experience.
 - exists in an internal environment that fosters an innovative climate.
 - improves the overall “hit” rate of success with a given new product idea.

Answer: E **Page: 90** **challenging**

- 3-17. People who perform complex jobs such as R&D are most creative when they are
- highly paid.
 - given stock options.
 - given opportunity to do challenging work.
 - under pressure.
 - have large budgets.

Answer: C **Page 91** **moderate**

- 3-18. Core competencies may become a hindrance to innovation when
- they are not competitively unique.
 - they become rigidities.
 - they are easily imitated.
 - they enhance the process of creative destruction.
 - All of the above

Answer: B **Page: 93** **easy**

- 3-19. Well-established skills and competencies that are so entrenched, they prevent a firm from seeing new ways of doing things are known as
- marketing myopia.
 - competence lock-in.
 - innovation killers.
 - core rigidities.
 - knowledge obsolescence.

Answer: D **Page: 93** **easy**

- 3-20. Which of the following is **not** usually an effective strategy for overcoming core rigidities?
- Creative destruction
 - Unlearning
 - Corporate imagination
 - Deep pockets
 - Experimentation

Answer: D **Page: 94** **moderate**

- 3-21. The innovator's dilemma is concerned with:
- which new products to introduce.
 - which new technologies to pursue.
 - which new markets to enter.
 - focusing too heavily on current customers and products.
 - overcoming core rigidities.

Answer: D **Page: 94** **moderate**