Chapter 02 The Environment and Corporate Culture

TRUEFALSE

1. The most recent U.S. census data show that about one-third of all babies born 2011 were members of minority group.

(A) True

(B) False

Answer : (B)

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

(A) True

(B) False

Answer : (B)

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

(A) True

(B) False

Answer : (A)

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

(A) True

(B) False

Answer : (A)

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

(A) True

(B) False

Answer : (A)

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

(A) True

(B) False

Answer : (A)

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

(A) True

(B) False

Answer : (B)

8. A political lobbyist for General Motors fills an essential boundary-spanning role.

(A) True

(B) False

Answer : (A)

9. Managers in partnering organizations, given the increasing environmental uncertainty, are shifting from a partnership orientation to an adversarial orientation.

(A) True

(B) False

Answer : (B)

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

(A) True

(B) False

Answer : (A)

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

(A) True

(B) False

Answer : (A)

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

(A) True

(B) False

Answer : (B)

13. A narrative based on events within the organization that is frequently repeated is called an organizational story.

(A) True

(B) False

Answer : (A)

14. An achievement culture is found in an environment that is dynamic and requires high-risk decision-making.

(A) True

(B) False

Answer : (B)

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

(A) True

(B) False

Answer : (B)

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

(A) True

(B) False

Answer : (B)

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

or organizational crises.

(A) True

(B) False

Answer : (A)

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

(A) True

(B) False

Answer : (A)

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

(A) True

(B) False

Answer : (B)

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

(A) True

(B) False

Answer : (A)

21. Companies in Quadrant A represent the high-performance culture.

(A) True

(B) False

Answer : (B)

MULTICHOICE

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

(A) Organizational environment

(B) Internal environment

(C) Task environment

(D) General environment

(E) Technological environment

Answer : (A)

23. All of these are a part of an organization's task environment, *except*:

(A) customers.

(B) labor markets.

(C) competitors.

(D) employers.

(E) suppliers.

Answer : (D)

24. GreenTech Candies is a U.S.-based company that manufactures and distributes candy bars and snack foods globally. The company sources most of its cocoa and sugar from South American companies. This business relationship highlights which dimension of the task environment?

(A) Customers

(B) Competitors

(C) Labor market

(D) Culture

(E) Suppliers

Answer : (E)

25. _____ is(are) included in an organization's task environment.

(A) Suppliers

(B) Accounting procedures

(C) Technology

(D) Government

(E) Demographic characteristics

Answer : (A)

26. Ally's Applesauce is in the process of hiring sixty new workers. The personnel department has a large pool of unskilled labor to draw from due to the high unemployment rate in the local area. Which dimension of the external environment is involved here?

(A) Sociocultural

(B) Competitors

(C) Technological

(D) Labor market

(E) Legal-political

Answer : (D)

27. When Miami Herald launches a Spanish-language newspaper, *El Nuevo Herald*, with articles emphasizing Hispanic, Cuban, and Latin American news and sports, it is responding to changes in _____ environment.

(A) sociocultural

(B) technological

(C) economic

(D) supply chain

(E) geographic

Answer : (A)

28. The general environment dimension that includes consumer purchasing power, the unemployment rate, and interest rates is called the:

(A) legal-political dimension.

(B) sociocultural dimension.

(C) technological dimension.

(D) economic dimension.

(E) task dimension.

Answer : (D)

29. The _____ dimension of the general environment includes federal, state, and local government regulations.

(A) technological

(B) legal-political

(C) economic

(D) sociocultural

(E) international

Answer : (B)

30. Which of the following roles is assumed by people and/or departments that link and coordinate the organization with key elements in the external environment?

(A) Figurehead

(B) Liaison

(C) Boundary-spanning

(D) Disturbance handler

(E) Leader

Answer : (C)

31. The people and organizations in the environment who acquire goods or services from the organization are:

(A) competitors.

(B) suppliers.

(C) customers.

(D) employees.

(E) potential employees.

Answer : (C)

32. Which of these means that managers do not have sufficient information about environmental factors to understand and predict environmental needs and changes?

(A) Adaptation

(B) Risk

(C) Uncertainty

(D) Knowledge

(E) Education

Answer : (C)

33. Roberta is a top-level executive at a banking institution. She spends a significant part of her day meeting with local government officials, everyday consumers, and federal banking officials to address key issues in the banking industry. Roberta's role can best be described as:

(A) boundary-spanning.

(B) adaptive.

(C) interorganizational.

(D) external.

(E) internal.

Answer : (A)

34. _____ is an approach to boundary spanning which results from using sophisticated software to search through large amounts of internal and external data to spot patterns, trends, and relationships that might be significant.

(A) Merger intelligence

(B) Business intelligence

(C) Competitive intelligence

(D) Partnership intelligence

(E) Environment intelligence

Answer : (B)

35. Jefferson and Squire is an advertising firm that is viewed as having a fast-paced and posh corporate culture. The company uses bold coloring with expensive accents in all office décor. This exemplifies which level of corporate culture?

(A) Visible artifacts

(B) Underlying assumptions

(C) Expressed values

(D) Heroes

(E) Ceremonies

Answer : (A)

36. In the current external business environment, which of the following is true?

(A) Corporate culture defines success.

(B) The business environment is static.

(C) Companies are more adversarial than ever before.

(D) Mergers are declining.

(E) Joint ventures are on the rise.

Answer : (E)

37. When two or more organizations combine to become one, it is referred to as a:

(A) joint venture.

(B) flexible structure.

(C) mechanistic structure.

(D) merger.

(E) inorganic venture.

Answer : (D)

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

(A) General environment

(B) Task environment

(C) Economic environment

(D) Internal environment

(E) Legal-political environment

Answer : (D)

39. Culture can be defined as:

(A) the set of key values, beliefs, understandings, and norms shared by members of an organization.

(B) the ability to speak different languages.

(C) an object, act, or event that conveys meaning to others.

(D) a narrative based on true events that is repeated frequently and shared by organizational employees.

(E) a planned activity at a special event that is conducted for the benefit of an audience.

Answer : (A)

40. The level of corporate culture in which values are so deeply embedded that members are no longer consciously aware of them is:

(A) invisible artifacts.

(B) expressed values and beliefs.

(C) explicit code of conduct.

(D) dress and office layout.

(E) slogans and ceremonies.

Answer : (B)

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

(A) Adaptability culture

(B) Achievement culture

(C) Consistency culture

(D) Involvement culture

(E) Matrix culture

Answer : (D)

42. _____ is a narrative based on true event that is repeated frequently and shared by organizational employees.

(A) Symbol

(B) Slogan

(C) Story

(D) Hero

(E) Culture

Answer : (C)

43. McDonald's "We Love to See You Smile" is an example of a:

(A) ceremony.

(B) symbol.

(C) ritual.

(D) slogan.

(E) political activity.

Answer : (D)

44. The adaptability culture emerges in an environment that requires _____ response and _____ decision making.

(A) fast; high-risk

(B) fast; low-risk

(C) slow; high-risk

(D) slow; low-risk

(E) regulated; low-risk

Answer : (A)

45. The involvement culture has a(n) _____ focus on the involvement and participation of employees to rapidly meet changing needs from the environment.

(A) external

(B) internal

(C) structural

(D) competitive

(E) technological

Answer : (B)

46. Which of the following cultures values and rewards a methodical, rational, orderly way of doing

things?

(A) Achievement culture

(B) Involvement culture

(C) Accomplishment culture

(D) Consistency culture

(E) Adaptability culture

Answer : (D)

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

(A) Mission statement

(B) Vision statement

(C) Competitive intelligence

(D) Employee training

(E) Corporate culture

Answer : (E)

48. Terry manages a food distribution company that is highly focused on creating a strong cohesive culture, but the company does not tie organizational values directly to goals and desired business results. Terry's company most likely falls in which quadrant of organizational performance and culture?

(A) Quadrant A

(B) Quadrant B

(C) Quadrant C

(D) Quadrant D

(E) Quadrant E

Answer : (D)

49. In a study by Kotter and Haskett evidence is provided to support the claim that _____ is important for performance.

(A) managing cultural values

(B) leading partnerships within an industry

(C) surveying the external environment

(D) managing client relationships as boundary spanners

(E) empowering employees

Answer : (A)

50. Executives at One World Advertising have learned that it is necessary to establish strong personal relationships and emotional bonds with Chinese business partners. This relates most closely to which dimension of the general business environment?

(A) Natural

(B) Sociocultural

(C) Legal/Political

(D) International

(E) Internal

Answer : (D)

51. In the shift from an adversarial to a partnership orientation, an organization should:

(A) concentrate on price, efficiency, and profits.

(B) limit feedback and information.

(C) use long-term contracts.

(D) use lawsuits to resolve conflict.

(E) limit the business relationship to the contract.

Answer : (C)

SHORTANSWER

52. The _____ environment includes the sectors that conduct day-to-day transactions within the organization.**Answer :** task

53. _____ are becoming more popular as organizations strive to keep up with technological advancements and compete in the global economy.**Answer :** Joint ventures

54. An object, act, or event that conveys meaning to others is known as a(n) _____.**Answer :** symbol

55. The _____ culture places high value on HR, and the organization may be characterized by a caring, family-like atmosphere.**Answer :** involvement

56. A(n) _____ defines and uses signals and symbols to influence corporate culture.**Answer :** cultural leader

57. As environmental turbulence increases, _____, which alter an organization's ability to achieve its goals, emerge more frequently.**Answer :** strategic issues

58. Steve Jobs exemplified the _____ figure in corporate culture.**Answer :** hero

59. In today's business environment, many companies have shifted away from the _____ culture, which supports and rewards a methodical, rational, and orderly way of doing things.**Answer :** consistency

ESSAY

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

Graders Info :

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

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

Graders Info :

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

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

Graders Info :

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

63. Discuss the relationship between external environmental characteristics and uncertainty.

Graders Info :

The external environment can be evaluated along two dimensions. First, one can evaluate (high to low) a number of factors in the environment. Second, one can evaluate (high to low) the rate of

change of those factors. When both variables are low, low uncertainty characterizes the external environment. When both variables are high, the external environment is marked by a high level of uncertainty. A highly uncertain environment requires organizations to adapt and/or attempt to influence the external environment.

64. Discuss the different levels of culture.

Graders Info :

Culture can be analyzed at three levels. At the surface, there are the visible representations of culture, such as ceremonies and patterns of behaviors. These representations are easily observable. The second level of culture can be found in expressed ideas and values. These ideas and values can be identified through an analysis of such things as symbols and stories. The third level of culture refers to those values and understandings that are so deeply held that they are unobservable and operate at the level of the subconscious and/or unconscious.

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

Graders Info :

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