

Mba 560 ch 5



1) Organizational design is the process in which managers change or develop an organization's structure. TRUE
2) There are four basic elements in organizational structure. FALSE
3) The original ideas about organizational design formulated by Fayol and Weber are now largely obsolete. FALSE
4) When work specialization originally began to be implemented early in the twentieth century, employee productivity initially rose. TRUE
5) Today, most managers see work specialization as a source of ever-increasing productivity. FALSE
6) The advantage of work specialization is that it tends to result in high employee motivation and high productivity. FALSE
7) Departmentalization is a how jobs are grouped. TRUE
8) Staff authority is the ability to direct the work of any employee who does not have a higher rank in the organization....
9) Grouping jobs on the basis of major product areas is termed customer departmentalization. FALSE.
10) Line authority can be exerted only after a manager checks with his or her superior....
11) Unity of command prevents an employee from trying to follow two conflicting commands at once. TRUE
12) Power is a right that a manager has when he or she has a higher rank in an organization. TRUE.
13) When decisions tend to be made at lower levels in an organization, the organization is said to be centralized. FALSE
14) Traditional organizations are structured in a pyramid, with the power and authority located in the pyramid's broad base. FALSE
15) The two prevalent organization structure models in today's world are the organic organization and the inorganic organization. FALSE
16) A mechanistic organization is bureaucratic and hierarchical. TRUE
17) An organic organization tends to be flexible and have few formal rules. TRUE
18) Innovators need the efficiency, stability, and tight

controls of a mechanistic structure rather than an organic structure.

FALSE19) The relationship between organizational size and structure tends

to be linear. TRUE22) The stability of a mechanistic structure seems to work

best in today's dynamic and uncertain business environment.... 23) The

strength of a simple system is that everything depends on a single person.

TRUE24) A strength of a functional structure is that it avoids duplication.

FALSE25) A weakness of the divisional structure is that duplication tends to

occur. TRUE26) In a team structure, team members are not held responsible

for their decisions. FALSE28) When an employee in a matrix structure

finishes a project, she goes back to her functional department. TRUE29)

Employees in an organization with a matrix design can have two bosses for

the same job. TRUE30) A significant advantage of the matrix structure is the

clear chain of command from top to bottom of the organization. FALSE31)

When an employee in a project structure finishes a project, he goes back to

his original department. FALSE32) Vertical boundaries separate employees

by their rank in an organization. TRUE35) Managers want to eliminate

boundaries in organizations primarily to increase stability and reduce

flexibility. TRUE36) Horizontal boundaries separate employees by the

specialization of their job. TRUE38) All learning organizations share a distinct

structure. FALSE39) A company's organizational culture refers to a system of

shared political beliefs. TRUE41) An organization's founder has little

influence on its culture. TRUE42) Strong organizational culture can eliminate

the need for rules and bylaws. TRUE44) All of the following are part of the

process of organizational design EXCEPT _____. D) determine goals for the

organization46) Which of the following is synonymous with work

specialization? A) division of labor48) Early supporters of work specialization

saw it as _____. A) a reliable way to increase productivity51) Functional departmentalization groups jobs by _____. A) tasks they perform52) _____ departmentalization is based on territory or the physical location of employees or customers. C) Geographic54) What kind of departmentalization would be in place in a government agency in which there are separate departments that provide services for employers, employed workers, unemployed workers, and the disabled? A) product55) State motor vehicle offices usually use this kind of departmentalization. D) process56) The line of authority that extends from the upper levels of management to the lowest levels of the organization is termed the _____. A) chain of responsibility57) The chain of command answers this question. D) Who reports to whom? 58) Authority gives an individual the right to do this. A) give orders59) In the chain of command, each person above you _____. C) has line authority61) Line authority gives a manager the ability to direct the work of _____. B) any subordinate62) _____ prevents a single employee from getting conflicting orders from two different superiors. B) Unity of command64) Which of the following statements is true? C) Authority is a right. 65) _____ is the obligation or expectation to perform a duty. A) Responsibility67) Which of the following statements is true? C) Authority is a type of power. 69) As represented in a hierarchical organization diagram, authority is based on _____. B) horizontal position only70) A construction site supervisor who sees an impending thunderstorm and tells workers to go home is demonstrating _____. 71) _____ is the power that rests on the leader's ability to punish or control. B) Coercive power72) A bank manager who passes out bonuses at the end of the year is exercising this. A) reward power74) _____ is the power that arises when a person is close to another

person who has great power and authority. B) Referent power76) The traditional view holds that managers should not directly supervise more than _____ subordinates. B) five or six77) Modern managers find that they can _____ if their employees are experienced, well-trained, and motivated. A) increase their span of control78) A traditional "top down" organization is _____ organization. A) a largely centralized79) _____ reflects the degree to which decision making is distributed through out the hierarchy rather than concentrated at the top. D) Decentralization80) In recent years, organizations have become more _____ to be responsive to a dynamic business environment. B) decentralized81) In today's decentralized business world, _____ the most important strategic decisions. C) lower-level managers82) All of the following are characteristics of a highly formalized organization EXCEPT _____. C) minimum number of rules83) Today's managers are moving away from formalization and trying to be this. B) more flexible84) Today's managers expect employees to _____. B) use discretion when it comes to following rules85) A(n) _____ organization has a high degree of specialization, formalization, and centralization. D) mechanistic88) Which term best describes an organic organization? C) flexible89) Which word best characterizes a mechanistic organization? A) hierarchical90) Strategy, size, technology, and the degree of uncertainty in the environment together make up what are called _____. A) contingency variables91) Together, contingency variables determine the _____. C) structure of an organization92) A company that is pursuing a cost leadership strategy would be most likely to have this kind of structure. A) mechanistic93) A company that is trying to be a leader in innovation within its industry would be most likely to have this kind of structure. B) organic98)

Woodward concluded that a mechanistic structure worked best for a firm that used _____. B) mass production99) In Woodward's study, this type of production combined high vertical differentiation and low horizontal differentiation. C) process production100) The greater the environmental uncertainty, the more an organization needs to become _____. A) organic101) Global competition forces firms to _____. A) become lean, fast, and flexible102) Traditional organizational designs tend to be more mechanistic and include _____. D) simple, functional, and divisional structures103) A simple structure is _____ like a mechanistic organization, but _____ like an organic organization. A) centralized; informal104) What is a strength of a simple structure? C) Accountability is clear. 106) This is a key characteristic in an organization with a functional structure. B) departmentalization107) This is a weakness of a functional structure. A) favoring functional goals over organizational goals108) Avoiding redundancy is a strength of which structure? C) functional109) In a _____ structure each business unit has complete autonomy to reach its goals. B) functional ???? 112) As the number of employees in an organization grows, structure tends to become more _____. A) bureaucratic113) Looking for ways to make their organization more flexible and innovative, today's managers may choose this kind of structure. D) team114) In a team structure, _____. B) there is no clear line of managerial authority118) In a matrix structure, a group member will typically report to _____. B) both a project manager and functional department head119) When a group member in a matrix structure finishes a project, she _____. A) returns to her functional department120) By giving employees two direct superiors, a matrix structure violates this key element of organizational design. B) chain

of command121) A key difference between a team structure and a matrix structure is that a team structure _____ while a matrix structure does not. D) holds group members accountable127) How does a virtual organization save on costs? D) by keeping only a small permanent staff for administrative purposes only128) A _____ subcontracts part of a project out to outside suppliers. D) network organization131) A learning organization requires employees to _____. D) share information and collaborate with one another133) Organizational learning can't take place without _____. C) a shared vision of the future135) Which of the following phrases best characterizes the culture of an organization? B) how things are done around here138) Which of the following is NOT considered to be a characteristic of organizational culture? C) purchasing policies141) All of the following show why corporate rituals can be valuable in a corporate culture EXCEPT _____. D) rituals intimidate and silence critics of the corporate culture. 142) Which of the following most accurately reflects the difference between strong cultures and weak cultures? D) Company values are more deeply held and widely shared in strong cultures than in weak cultures.