

Chapter 14

- 1) The vertical division of labour is best characterized by terms such as
- A) span of control, size, formalization.
 - B) differentiation, job design, matrix.
 - C) functional, product, geographic.
 - D) president, manager, worker.
 - E) finance, production, marketing.

Answer: D

Page Ref: 483

Skill: Recall

- 2) There is consensus that functional departmentation _____ than product departmentation.
- A) is more logical
 - B) leads to more coordination problems between functions
 - C) is less efficient
 - D) is more sensitive to customers' needs
 - E) works better in very large firms

Answer: B

Page Ref: 485

Skill: Applied

- 3) Functional departmentation may be based on division of the organization according to
- A) different skills and responsibilities of individuals.
 - B) different customer types.
 - C) different services offered to external customers.
 - D) different geographic areas.
 - E) different products.

Answer: A

Page Ref: 485

Skill: Recall

- 4) At Magno Limited, a consumer goods company, all the sales reps are in the same department and report to one sales manager. Magno is probably structured according to _____ departmentation.
- A) process
 - B) product
 - C) geographic
 - D) functional
 - E) customer

Answer: D

Page Ref: 485

Skill: Applied

5) Organizations with product departmentation tend to be _____ than those with functional departmentation.

- A) more complex
- B) less flexible
- C) smaller
- D) more efficient
- E) more centralized

Answer: A

Page Ref: 503

Skill: Recall

6) An effective organization has very large spans of control but little direct supervision. It is likely that

- A) there are few task forces in the organization.
- B) the organization is highly differentiated.
- C) work is coordinated with skill standardization.
- D) the organization structure is very tall.
- E) the organization uses hybrid departmentation.

Answer: C

Page Ref: 489

Skill: Applied

7) The grouping together of the basic tasks that must be performed for the organization to achieve its goals is called

- A) horizontal division of labour.
- B) integration.
- C) formalization.
- D) vertical division of labour.
- E) span of control.

Answer: A

Page Ref: 483

Skill: Recall

8) Which of the following is a problem with the matrix structure?

- A) Loss of economies of scale without proper coordination.
- B) Poor coordination between departments results in slow response to organizational problems.
- C) Permanent nature of the matrix requires total restructuring with each new project.
- D) Potential for conflict between the product manager and the functional manager.
- E) All of the above.

Answer: D

Page Ref: 487

Skill: Applied

9) Which of the following statements is least accurate?

- A) As an organization's size increases, product departmentation is preferable to functional departmentation.
- B) Communication between functional specialists tends to be more coordinated in organizations with product departmentation than in those with functional departmentation.
- C) Organizations with functional departmentation are less complex than those with product departmentation.
- D) Organizations with product departmentation may duplicate effort more than those with functional departmentation.
- E) Organizations with product departmentation are more centralized than those with functional departmentation.

Answer: E

Page Ref: 485

Skill: Applied

10) Which method of organizational coordination permits workers the most discretion concerning the way they perform their jobs?

- A) Standardization of work processes
- B) Direct supervision
- C) Integration
- D) Standardization of outputs
- E) Mutual adjustment

Answer: E

Page Ref: 490

Skill: Recall

11) The least formal means by which divided labour is coordinated is

- A) standardization of work processes.
- B) standardization of outputs.
- C) direct supervision.
- D) with an integrator.
- E) mutual adjustment.

Answer: E

Page Ref: 490

Skill: Recall

12) Mutual adjustment is useful for coordinating _____ divisions of labour.

- A) the most simple and the most complicated
- B) routine but moderately complicated
- C) neither the most simple nor the most complicated
- D) only the most complicated
- E) only the most simple

Answer: A

Page Ref: 490

Skill: Applied

13) Other things equal, smaller organizations tend to be more _____ than larger organizations.

- A) centralized
- B) mechanistic
- C) complex
- D) formalized
- E) differentiated

Answer: A

Page Ref: 502

Skill: Applied

14) When work tasks are routine, coordination of labour through _____ often substitutes for direct supervision.

- A) standardization of work processes
- B) integrators
- C) vertical division
- D) differentiation
- E) small spans of control

Answer: A

Page Ref: 489

Skill: Recall

15) One reason the span of control tends to be smaller at upper levels in an organizational hierarchy is because

- A) coordination by direct supervision is easier.
- B) recent trends in restructuring organizations have reduced the number of top management positions required.
- C) adequate time is necessary for informal mutual adjustment.
- D) of the standardized nature of managerial work processes.
- E) in the managerial ranks tasks are more routine.

Answer: C

Page Ref: 492

Skill: Applied

16) A supervisor with a large span of control has

- A) found herself a job in a very tall organization.
- B) a large number of employees.
- C) quite a few managers above him in the hierarchy.
- D) authority over a wide range of decisions.
- E) many employees who require a lot of direct supervision

Answer: B

Page Ref: 492

Skill: Recall

17) Which method of coordination is most elaborate and reflects the greatest commitment to ensuring coordination?

- A) Liaison role
- B) Task force
- C) Decentralization
- D) Differentiation
- E) Integrator

Answer: E

Page Ref: 491

Skill: Recall

- 18) An organization has one production unit. Other factors equal, it probably relies on _____ departmentation.
- A) functional
 - B) customer
 - C) geographic
 - D) organic
 - E) product

Answer: A

Page Ref: 485

Skill: Applied

- 19) Highly trained professionals with similar backgrounds and training most likely have their work coordinated through
- A) standardization of skills.
 - B) standardization of outputs.
 - C) direct supervision.
 - D) liaison roles.
 - E) standardization of work processes.

Answer: A

Page Ref: 489

Skill: Applied

- 20) Who is permanently installed between two departments and given the full-time responsibility to assist in their coordination?
- A) An integrator
 - B) A liaison role occupant
 - C) A direct supervisor
 - D) A mediator
 - E) A task force member

Answer: A

Page Ref: 491

Skill: Recall

- 21) Holding organizational size constant, a tall organization _____ than a flat organization.
- A) has smaller spans of control
 - B) has fewer hierarchical levels
 - C) is less formalized
 - D) is less centralized
 - E) has better vertical communication and coordination

Answer: A

Page Ref: 492

Skill: Applied

- 22) The term span of control is defined as
- A) the extent to which an organization relies on formalized rules and processes to control output.
 - B) the number of levels in an organizational hierarchy.
 - C) the amount of power held by a chief executive.
 - D) the number of employees supervised by a superior.
 - E) the extent to which an organization is independent of its environment.

Answer: D

Page Ref: 492

Skill: Recall

- 23) When organizational behaviour experts describe an organization as highly centralized, they mean that
- A) all or almost all of the members of the organization know each other.
 - B) the managers in the organization form a highly cohesive group.
 - C) decision-making power is concentrated at the top of the organizational hierarchy.
 - D) the organization is located in a single geographic location.
 - E) the organization uses empowerment and wide spans of control to coordinate work processes.

Answer: C

Page Ref: 493

Skill: Recall

- 24) Which of the following statements about organizational structure is inconsistent with the mechanistic viewpoint?
- A) Organizations should be highly formalized.
 - B) Organizations should be highly centralized.
 - C) Detailed rules and regulations should be documented in writing.
 - D) There should be a very low degree of specialization of labour.
 - E) The span of control should be small.

Answer: D

Page Ref: 495

Skill: Applied

- 25) Because formalization through strict, impersonal rules may lead members to adopt the minimum acceptable level of performance, it is evident that
- A) direct supervision is the best method of coordinating labour.
 - B) taller structures are better than flatter ones.
 - C) organic structures are better for most organizations.
 - D) bureaucracy is not always inefficient.
 - E) mechanistic structures have their liabilities.

Answer: E

Page Ref: 495

Skill: Applied

- 26) The domain of an individual's decision-making and authority _____ as the number of levels in the hierarchy increases.
- A) is decentralized
 - B) becomes more integrated
 - C) is increased
 - D) is reduced
 - E) stays the same

Answer: D

Page Ref: 492

Skill: Applied

27) Employees sometimes resist employers by "working to rule." This means that they stick to the exact letter of work rules, often slowing their work considerably. Which structural characteristic are employees using to their advantage?

- A) Centralization
- B) Span of control
- C) Formalization
- D) Complexity
- E) Differentiation

Answer: C

Page Ref: 492

Skill: Applied

28) The Rumpole Company had twelve thick procedures manuals that covered every contingency. From this, we know for certain that Rumpole was

- A) highly centralized.
- B) very large.
- C) extremely flat.
- D) highly formalized.
- E) highly integrated.

Answer: D

Page Ref: 492

Skill: Applied

29) A mechanistic organization would not tend to be highly

- A) centralized.
- B) organic.
- C) specialized.
- D) bureaucratic.
- E) formalized.

Answer: B

Page Ref: 497

Skill: Recall

30) An organic organization would not tend to be

- A) flexible.
- B) flat.
- C) informal.
- D) decentralized.
- E) bureaucratic.

Answer: E

Page Ref: 497

Skill: Recall

31) The extent to which an organization divides labour vertically is most likely to be reflected in how _____ it is.

- A) bureaucratic
- B) formalized
- C) integrated
- D) flat
- E) centralized

Answer: D

Page Ref: 492

Skill: Applied

32) Holding overall organizational size constant, _____ organizations have _____ spans of control.

- A) decentralized; smaller
- B) centralized; larger
- C) taller; smaller
- D) flatter; smaller
- E) taller; larger

Answer: C

Page Ref: 492

Skill: Applied

33) Which equality is most accurate?

- A) Mutual adjustment = direct supervision
- B) Centralization = complexity
- C) Differentiation = integration
- D) Formalized = organic
- E) Mechanistic = bureaucratic

Answer: E

Page Ref: 495

Skill: Applied

34) Organic structures tend to _____ than mechanistic structures.

- A) be more formalized
- B) be more inflexible
- C) have wider spans of control
- D) exhibit more centralization
- E) be taller

Answer: C

Page Ref: 497

Skill: Recall

35) Which term tends to describe mechanistic structures?

- A) Formalized
- B) Decentralized
- C) Wide spans of control
- D) Flat
- E) Flexible

Answer: A

Page Ref: 495

Skill: Recall

36) The classical organizational theorists tended to favour _____ organizational structures.

- A) organic
- B) hybrid
- C) flat
- D) mechanistic
- E) decentralized

Answer: D

Page Ref: 495

Skill: Recall

37) The human relations organizational theorists tended to favour _____ organizational structures.

- A) formalized
- B) centralized
- C) mechanistic
- D) organic
- E) bureaucratic

Answer: D

Page Ref: 495

Skill: Recall

38) Rules, regulations, and procedures denote an organization that is very

- A) complex.
- B) flat.
- C) organic.
- D) small.
- E) formal.

Answer: E

Page Ref: 492

Skill: Applied

39) Downsizing is defined as

- A) the intentional reduction in vertical scale of an organizational structure.
- B) the intentional reduction in management positions to improve profitability.
- C) layoffs to reduce debt during a recession.
- D) the intentional reduction in workforce size to improve efficiency.
- E) the intentional reduction in workforce size to shrink the organization.

Answer: D

Page Ref: 504

Skill: Recall

40) A small span of control means that a manager

- A) has little power.
- B) works for a small company.
- C) works in a flat organization.
- D) has few employees.
- E) works near the bottom of the hierarchy.

Answer: D

Page Ref: 492

Skill: Applied

41) Which of the following methods are used to reduce the size of the workforce during downsizing?

- A) Removal of management levels
- B) Hiring freezes
- C) Layoffs
- D) Attrition
- E) All of the above

Answer: E

Page Ref: 504

Skill: Recall

42) As organizations get bigger

- A) they become less formalized.
- B) they tend to centralize.
- C) they become flatter.
- D) functional departmentation is preferable to product departmentation.
- E) they tend to decentralize.

Answer: E

Page Ref: 503

Skill: Applied

43) Which of the following is not a common problem of downsizing?

- A) The loss of flexibility resulting from downsizing and the transition to a more organic form.
- B) The loss of flexibility resulting from downsizing and the transition to mechanistic form.
- C) Reduction in employee motivation.
- D) Distrust of management.
- E) Low employee morale.

Answer: A

Page Ref: 504

Skill: Recall

44) Which of the following is a logical symptom of high differentiation at Atlas Products Limited?

- A) Marketing managers and engineering managers often don't see eye-to-eye.
- B) Atlas has very large spans of control.
- C) There are few formalized rules or procedures governing worker conduct.
- D) There is a high degree of superior-subordinate conflict.
- E) The organization is in poor financial shape and gravitating toward bankruptcy.

Answer: A

Page Ref: 484

Skill: Applied

45) At Ajax Corporation, differentiation is high and integration is low. This suggests that

- A) Ajax offers a large number of products and services.
- B) managers have very wide spans of control.
- C) sales and production don't see eye-to-eye.
- D) Ajax is performing very effectively.
- E) functional managers have similar goals and time orientations.

Answer: C

Page Ref: 484

Skill: Applied

46) Inappropriate organizational structure can result in

- A) slow response times.
- B) persistent conflict between departments
- C) too many committees.
- D) bad job design.
- E) All of the above.

Answer: E

Page Ref: 505

Skill: Recall

47) Various functions are coordinated as much by market mechanisms as by managers and formal lines of authority in what type of organization?

- A) Boundaryless organization.
- B) Network organization
- C) Virtual organization.
- D) Modular organization.
- E) Organic organization.

Answer: B

Page Ref: 498

Skill: Recall

48) An alliance of independent companies share skills, costs, and access to one another's markets in what kind of organization?

- A) Organic organization.
- B) Virtual organization.
- C) Network organization.
- D) Modular organization.
- E) Boundaryless organization.

Answer: B

Page Ref: 499

Skill: Recall

49) An organization that performs a few core functions and outsources noncore activities to specialists and suppliers is called a

- A) network organization.
- B) modular organization.
- C) boundaryless organization.
- D) spherical organization.
- E) virtual organization.

Answer: B

Page Ref: 500

Skill: Recall

50) Outsourcing is a key characteristic of what type of organization?

- A) Virtual organization.
- B) Organic organization.
- C) Boundaryless organization.
- D) Network organization.
- E) Modular organization.

Answer: E

Page Ref: 500

Skill: Recall

51) Former General Electric CEO Jack Welch is credited with creating what kind of organizational structure?

- A) Network.
- B) Boundaryless.
- C) Modular.
- D) Virtual.
- E) Organic.

Answer: B

Page Ref: 501

Skill: Recall

52) What kind of organization removes vertical, horizontal, and external barriers?

- A) Virtual.
- B) Boundaryless.
- C) Spherical.
- D) Network.
- E) Modular.

Answer: B

Page Ref: 501

Skill: Recall

53) What kind of organizational structure consists of self-managing and cross-functional teams?

- A) Boundaryless.
- B) Network.
- C) Modular.
- D) Vertical.
- E) Spherical.

Answer: A

Page Ref: 501

Skill: Recall

54) Which of the following accurately describes a boundaryless organization?

- A) Noncore activities are outsourced to specialists and suppliers.
- B) Skills, costs, and access to markets is shared with other organizations.
- C) Various functions are coordinated by market mechanisms.
- D) It is made up of layers of teams.
- E) All of the above.

Answer: D

Page Ref: 501

Skill: Recall

55) What two basic things must an organization do to achieve its goals?

- A) divide and structure labour
- B) structure and coordinate labour
- C) divide and coordinate labour
- D) departmentalize and coordinate labour
- E) divide and differentiate labour

Answer: C

Page Ref: 482

Skill: Recall

56) Organizational structure intervenes between _____ and organizational accomplishments and thus influences organizational effectiveness.

- A) attitudes
- B) groups
- C) goals
- D) behaviours
- E) individuals

Answer: C

Page Ref: 482

Skill: Recall

57) When a large and established firm gets into a new line of business, either on its own or by acquiring a smaller and newer innovative firm, what does the new innovative unit require?

- A) coordination
- B) decentralization
- C) differentiation
- D) formalization
- E) integration

Answer: C

Page Ref: 497

Skill: Recall

58) When a large and established firm gets into a new line of business, either on its own or by acquiring a smaller and newer innovative firm, what kind of structure does the new innovative unit require compared to that of the established parent?

- A) more mechanistic
- B) more virtual
- C) more organic
- D) more matrix
- E) more modular

Answer: C

Page Ref: 497

Skill: Recall

59) As innovative units mature, they often tend to become more

- A) hybrid
- B) mechanistic
- C) boundaryless
- D) virtual
- E) organic

Answer: B

Page Ref: 497

Skill: Recall

60) The Smelly Cheese Company has decided to get into a new line of business - smelly cheese sticks for children. Compared to the rest of the company, what kind of structure is best for this new unit?

- A) virtual
- B) boundaryless
- C) modular
- D) organic
- E) mechanistic

Answer: D

Page Ref: 497

Skill: Recall

61) What jobs have been disproportionately reduced in the most recent downsizings?

- A) blue-collar
- B) service
- C) technology
- D) manufacturing
- E) white-collar

Answer: E

Page Ref: 504

Skill: Recall

62) Downsizing is often accompanied by reducing

- A) formalization
- B) vertical complexity
- C) horizontal or vertical complexity
- D) span of control
- E) horizontal complexity

Answer: C

Page Ref: 504

Skill: Recall

63) The video game industry is a good example of

- A) network organizations
- B) downsizing
- C) modular organizations
- D) matrix organizations
- E) boundaryless organizations

Answer: A

Page Ref: 499

Skill: Recall

- 64) Mutual adjustment relies upon formal communication and written rules to coordinate tasks.
Answer: True ☒ False
Page Ref: 490
Skill: Recall
- 65) The larger the span of control, the more potential there is for coordination by direct supervision.
Answer: True ☒ False
Page Ref: 492
Skill: Applied
- 66) Bureaucracies tend to be organically structured.
Answer: True ☒ False
Page Ref: 495
Skill: Recall
- 67) Flatter structures push decision-making powers downward in the organization.
Answer: ☒ True ☐ False
Page Ref: 492
Skill: Applied
- 68) Organic structures tend to have fewer levels of authority than mechanistic structures.
Answer: ☒ True ☐ False
Page Ref: 497
Skill: Recall
- 69) Functional departmentation is preferable to product departmentation as the organization increases in size.
Answer: True ☒ False
Page Ref: 503
Skill: Applied
- 70) Achieving adequate integration is often a problem of functional departmentation.
Answer: ☒ True ☐ False
Page Ref: 491
Skill: Applied
- 71) A decentralized organization is defined as one that has operations at two or more physical locations.
Answer: True ☒ False
Page Ref: 493
Skill: Recall
- 72) Alice has very few employees. This means she has a small span of control.
Answer: ☒ True ☐ False
Page Ref: 492
Skill: Applied
- 73) Under functional departmentation, all the chemists employed by the organization will likely be in the same department.
Answer: ☒ True ☐ False
Page Ref: 485
Skill: Applied

74) The more differentiated an organization is, the more integration it requires.

Answer: ☒ True ☐ False

Page Ref: 484

Skill: Applied

75) Organizational customers are likely to prefer functional departmentation rather than product departmentation.

Answer: ☐ True ☒ False

Page Ref: 486

Skill: Applied

76) Highly formalized organizations have a lot of rules, regulations, and procedures.

Answer: ☒ True ☐ False

Page Ref: 492

Skill: Recall

77) While task forces are temporary fixtures, integrators are permanent fixtures.

Answer: ☒ True ☐ False

Page Ref: 491

Skill: Recall

78) Holding organizational size constant, taller organizations have larger spans of control.

Answer: ☐ True ☒ False

Page Ref: 492

Skill: Applied

79) Mechanistic structures are typical of bureaucracies.

Answer: ☒ True ☐ False

Page Ref: 495

Skill: Recall

80) The matrix departmentation method means that employees are members of both a functional department and a special product team.

Answer: ☒ True ☐ False

Page Ref: 486

Skill: Recall

81) Rules, regulations, and procedures are clear examples of the organizational structure characteristic called complexity.

Answer: ☐ True ☒ False

Page Ref: 492

Skill: Recall

82) Differentiation is defined as the number of different products or services offered by a firm.

Answer: ☐ True ☒ False

Page Ref: 484

Skill: Recall

83) The classical organizational theorists tended to favour organic structures.

Answer: ☐ True ☒ False

Page Ref: 495

Skill: Recall

84) People who supervise extremely routine work usually have small spans of control.

Answer: ☐ True ☒ False

Page Ref: 492

Skill: Applied

85) The extent of vertical division of labour affects how flat an organization is.

Answer: ☒ True ☐ False

Page Ref: 492

Skill: Recall

86) At Sigma Limited, the production managers and the sales managers can't agree about anything. It would appear that differentiation is high and integration is low.

Answer: ☒ True ☐ False

Page Ref: 484

Skill: Applied

87) Under product departmentation, we are likely to find all the company's engineers housed in the same department.

Answer: ☐ True ☒ False

Page Ref: 486

Skill: Applied

88) Mutual adjustment is an informal means by which divided labour is coordinated.

Answer: ☒ True ☐ False

Page Ref: 490

Skill: Recall

89) Larger organizations tend to be more decentralized than smaller organizations.

Answer: ☒ True ☐ False

Page Ref: 502

Skill: Recall

90) Professional development and career ladders are probably more favourable under functional departmentation than under product departmentation.

Answer: ☒ True ☐ False

Page Ref: 485

Skill: Applied

91) An integrator role is a more elaborate coordination mechanism than a liaison role.

Answer: ☒ True ☐ False

Page Ref: 491

Skill: Recall

92) Formalization is inversely related to organizational size.

Answer: True ☒ False

Page Ref: 503

Skill: Applied

93) Organizations with functional departmentation are usually more complex and decentralized than those with product departmentation.

Answer: True ☒ False

Page Ref: 494

Skill: Applied

94) Conflict between the product manager and the functional manager is a potential problem with the matrix structure.

Answer: ☒ True False

Page Ref: 487

Skill: Applied

95) Employees of an organization with a matrix structure may be trying to please two different superiors at the same time and experience an inter-role conflict.

Answer: ☒ True False

Page Ref: 487

Skill: Applied

96) Downsizing is defined as the intentional reduction in workforce size to improve efficiency.

Answer: ☒ True False

Page Ref: 504

Skill: Recall

97) Layoffs are the only method used to reduce the size of the workforce during downsizing.

Answer: True ☒ False

Page Ref: 504

Skill: Recall

98) The negative effects of downsizing are primarily due to poor management.

Answer: True ☒ False

Page Ref: 505

Skill: Recall

99) In a modular organization, various functions are coordinated as much by market mechanisms as by managers and formal lines of authority.

Answer: True ☒ False

Page Ref: 500

Skill: Recall

100) In a virtual organization, an alliance of independent companies share skills, costs, and access to one another's markets.

Answer: ☒ True False

Page Ref: 499

Skill: Recall

- 101) Each partner in a modular organization contributes only to its area of core competencies.
Answer: True ☒ False
Page Ref: 500
Skill: Recall
- 102) Contemporary book publishers are good examples of a virtual organization.
Answer: ☒ True ☐ False
Page Ref: 499
Skill: Recall
- 103) A boundaryless organization performs a few core functions and outsources noncore activities.
Answer: True ☒ False
Page Ref: 501
Skill: Recall
- 104) A virtual organization maintains complete strategic control.
Answer: True ☒ False
Page Ref: 499
Skill: Recall
- 105) A disadvantage of modular organizations is that it decreases operational costs due to its dependence on outsiders.
Answer: ☒ True ☐ False
Page Ref: 501
Skill: Recall
- 106) A boundaryless organization removes internal and external barriers.
Answer: ☒ True ☐ False
Page Ref: 501
Skill: Recall
- 107) Modular organizations are made up of self-managing and cross-functional teams.
Answer: True ☒ False
Page Ref: 500
Skill: Recall
- 108) In a boundaryless organization, the vertical hierarchy is flattened.
Answer: ☒ True ☐ False
Page Ref: 501
Skill: Recall
- 109) A modular organization is made up of layers of teams.
Answer: True ☒ False
Page Ref: 500
Skill: Recall
- 110) Modular organizations remove internal and external barriers.
Answer: True ☒ False
Page Ref: 500
Skill: Recall

111) Structure affects how effectively and efficiently individual effort is coordinated.

Answer: ☐ True ☒ False

Page Ref: 482

Skill: Recall

112) Structure affects how effectively and efficiently group effort is coordinated.

Answer: ☒ True ☐ False

Page Ref: 482

Skill: Recall

113) For most organizations there is usually "one best way" to organize.

Answer: ☐ True ☒ False

Page Ref: 497

Skill: Recall

114) Structure can and should change over time.

Answer: ☒ True ☐ False

Page Ref: 497

Skill: Recall

115) Most organizations have a single structure.

Answer: ☐ True ☒ False

Page Ref: 497

Skill: Recall

116) Innovation is one factor that often dictates multiple structures.

Answer: ☒ True ☐ False

Page Ref: 497

Skill: Recall

117) When a large and established firm gets into a new line of business, the new innovative unit often requires formalization.

Answer: ☐ True ☒ False

Page Ref: 497

Skill: Recall

118) When a large and established firm gets into a new line of business, the new innovative unit requires a more mechanistic structure.

Answer: ☐ True ☒ False

Page Ref: 497

Skill: Recall

119) As innovative units mature, they often tend to become more organic.

Answer: ☐ True ☒ False

Page Ref: 497

Skill: Recall

120) Downsizing is primarily motivated by a shrinking market.

Answer: True ☒ False

Page Ref: 504

Skill: Recall

121) Downsizing occurs proportionally in all parts of an organization.

Answer: True ☒ False

Page Ref: 504

Skill: Recall

122) White-collar managerial and staff jobs have been disproportionately reduced in the most recent downsizings.

Answer: ☒ True False

Page Ref: 504

Skill: Recall

123) A new downsized structure should look like a mini-version of the old structure.

Answer: True ☒ False

Page Ref: 504

Skill: Recall

124) Downsizing is often accompanied by reducing horizontal or vertical complexity.

Answer: ☒ True False

Page Ref: 504

Skill: Recall

125) When faced with serious decline, organizations have a decided tendency to become more organic.

Answer: True ☒ False

Page Ref: 504

Skill: Recall

126) Downsizing results in cost reductions but only in the long run.

Answer: True ☒ False

Page Ref: 505

Skill: Recall

127) Downsizing results in improvements in productivity.

Answer: True ☒ False

Page Ref: 505

Skill: Recall

128) The negative effects of downsizing are primarily due to poor implementation.

Answer: ☒ True False

Page Ref: 505

Skill: Recall

129) When carefully and properly implemented, downsizing can have positive consequences.

Answer: ☒ True False

Page Ref: 505

Skill: Recall

130) A virtual organization is even more flexible than a matrix.

Answer: ☒ True ☐ False

Page Ref: 499

Skill: Recall

131) Participating firms in a virtual organization maintain complete strategic control.

Answer: ☐ True ☒ False

Page Ref: 500

Skill: Recall

132) The tendency for managers in separate functions or departments to differ in terms of goals, time spans, and interpersonal styles is called _____.

Answer: differentiation

Page Ref: 484

Skill: Recall

133) At Roman Company, all sales people are in one sales department, all production people are in one production department, and all R&D people are in one R&D department. Roman obviously uses _____ departmentation.

Answer: functional

Page Ref: 485

Skill: Applied

134) The structural characteristic of _____ is most obvious when we see all decisions made at the top of an organization.

Answer: centralization

Page Ref: 493

Skill: Recall

135) Celine was shocked to find that she had twenty-five employees in her new supervisory job. She hadn't realized that her _____ would be so large.

Answer: span of control

Page Ref: 492

Skill: Applied

136) The process of coordinating differentiated departments is called _____.

Answer: integration

Page Ref: 491

Skill: Recall

137) The coordination of tasks via extensive informal communication is called _____.

Answer: mutual adjustment

Page Ref: 490

Skill: Recall

138) Gigantico Computers has separate hardware and software divisions. It is probably structured using _____ departmentation.

Answer: product

Page Ref: 486

Skill: Applied

- 139) The manufacturing company had myriad rules, regulations, and procedures, all detailed in thick operations manuals. Structurally, it was highly _____.
Answer: formalized
Page Ref: 492
Skill: Applied
- 140) As the firm _____, it decentralized and formalized, just like it says in the textbooks.
Answer: grew
Page Ref: 502
Skill: Applied
- 141) Speaking broadly, terms such as formalization, centralization, tight control, and bureaucracy are associated with _____ structures.
Answer: mechanistic
Page Ref: 495
Skill: Recall
- 142) The classical organizational theorists were advocates of a form of organizational structure that might be summarized as _____.
Answer: mechanistic
Page Ref: 495
Skill: Recall
- 143) Holding total organization size constant, _____ organizations have larger spans of control.
Answer: flatter
Page Ref: 492
Skill: Applied
- 144) Although Cyclops Limited had several functions located only at world headquarters, sales and production were located in several geographic regions. This form of departmentation is called _____.
Answer: hybrid
Page Ref: 488
Skill: Applied
- 145) A(n) _____ is a temporary group set up to solve coordination problems across departments.
Answer: task force
Page Ref: 491
Skill: Recall
- 146) A(n) _____ has impersonal selection and promotion, a strict chain of command, centralized power, strict specialization, and detailed regulations.
Answer: bureaucracy
Page Ref: 495
Skill: Recall
- 147) Bob is an engineer whose full-time job it is to serve as a technical interface between production and R&D. He "translates" between the two groups and helps them solve problems in his role as _____.
Answer: integrator
Page Ref: 491
Skill: Applied

148) German social theorist Max Weber developed the concept of _____ as an organizational form.

Answer: bureaucracy

Page Ref: 495

Skill: Recall

149) The human relations movement advocated organizational structures that broadly can be described as _____.

Answer: organic

Page Ref: 495

Skill: Recall

150) The manner in which an organization divides labour into tasks and coordinates these tasks is referred to as _____.

Answer: organizational structure

Page Ref: 482

Skill: Recall

151) The positive points of _____ departmentation include good communication within departments, good opportunities for professional development, and overall efficiency.

Answer: functional

Page Ref: 485

Skill: Recall

152) Structure affects how effectively and efficiently _____ effort is coordinated.

Answer: group

Page Ref: 482

Skill: Recall

153) Organizational structure intervenes between _____ and organizational accomplishments and thus influences organizational effectiveness.

Answer: goals

Page Ref: 482

Skill: Recall

154) Organizational structure is the manner in which an organization divides its labour into specific tasks and achieves _____ among these tasks.

Answer: coordination

Page Ref: 482

Skill: Recall

155) _____ is one factor that often dictates multiple structures.

Answer: Innovation

Page Ref: 497

Skill: Recall

156) When a large and established firm gets into a new line of business, the innovative unit often requires _____.

Answer: autonomy or differentiation

Page Ref: 497

Skill: Recall

157) When a large and established firm gets into a new line of business, the innovative unit often requires a more _____ structure than the established parent.

Answer: organic

Page Ref: 497

Skill: Recall

158) As innovative units mature, they often tend to become more _____.

Answer: mechanistic

Page Ref: 497

Skill: Recall

159) Downsizing is often accompanied by reducing horizontal or _____ complexity.

Answer: vertical

Page Ref: 504

Skill: Recall

160) When faced with a serious decline, organizations have a decided tendency to become more _____.

Answer: mechanistic

Page Ref: 504

Skill: Recall

161) The negative effects of downsizing are primarily due to poor _____.

Answer: implementation

Page Ref: 505

Skill: Recall

162) The video game industry is a good example of _____ organizations.

Answer: network or virtual

Page Ref: 499

Skill: Recall

163) The _____ organization maintains complete strategic control.

Answer: modular

Page Ref: 500

Skill: Recall

164) Define differentiation as it relates to the division of labour. What is the connection between differentiation and integration?

Answer: Differentiation is the tendency for managers in separated departments to differ in terms of goals, time spans, and interpersonal styles. Integration is the process of attaining coordination across differentiated departments; therefore, differentiation and integration are positively correlated (i.e. the more differentiation between departments, the more need for integration).

Page Ref: 484

Skill: Applied

165) Identify the four basic forms of departmentation introduced in the text. Describe two additional forms of departmentation which may result from combinations of the basic forms.

Answer: The four basic forms are functional, product, geographic and customer; the combinations include a matrix structure (usually functional and product), and a hybrid structure (any combination of the basic four).

Page Ref: 485

Skill: Recall

166) Discuss five basic ways to coordinate divided labour in an organization.

Answer: Direct supervision, standardization of work processes, standardization of outputs, standardization of skills and mutual adjustment.

Page Ref: 488

Skill: Recall

167) Gordon Wong is VP of Human Resources at Zeta Manufacturing. In a recent confidential meeting with the company's president, he was given a special assignment: develop a plan to improve coordination between departments without restructuring the company. Gordon understood the president's concerns, since he too had observed several coordination-related problems at the last executive meeting. In one instance, the VP of Marketing complained to the VP of Production that the company was losing marketshare due to low production capacity and late shipments. The VP of Production fired back, accusing the marketing department of "overly aggressive promotional tactics" which were resulting in unrealistic production expectations and low profit margins. In another instance, the VP of Marketing requested increased expense budgets for sales managers, who were complaining about the lack of funds available for sales promotion activities with customers. The VP of Finance told the VP of Marketing that his sales managers needed a "reality check" and that, if anything, expenses would need to become "tighter, not looser," in future. Then, the VP of Research and Development stunned everyone by introducing detailed plans for a totally new product which would move the company into new markets. The VPs of Production and Marketing both demanded to know why they had not been informed about the new product concept sooner. As Gordon reflected on these events, he wondered, "How can I get these departments to work together in a more integrated manner?" Use your knowledge of organizational structure to 1) identify the type of departmentation at Zeta; 2) explain the advantages and disadvantages of this type of structure; and 3) recommend three methods to improve coordination across these departments without restructuring the organization.

Answer: 1) Functional departmentation. 2) Advantages include efficiency, enhanced communication within departments, clear career progressions and evaluation methods; disadvantages include increased potential for poor coordination between departments, and conflicts arising from differences in goals. 3) Three methods to improve integration include liaison roles, task forces, and integrators.

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Skill: Applied

168) Explain the relationship between "span of control" and "tall versus flat" structures. At what level of the management hierarchy is the span of control likely to be largest? Why?

Answer: Holding size constant, taller structures will have a smaller average span of control; flatter structures will have a larger average span of control. The span of control is most likely to be larger at the lower levels of management (e.g. supervisor level), where the tasks performed by subordinates are generally more routine and the requirement for direct supervision is often reduced through standardization of work processes, outputs or skills.

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Skill: Applied

169) Describe the main characteristics of mechanistic and organic structures. Which kinds of environments tend to favour each structure?

Answer: Mechanistic structures are characterized by tallness, specialization, centralization, and high formalization. Organic structures are characterized by flatness, low specialization, low formalization, and decentralization. Generally, mechanistic structures are favoured when an organization's environment is more stable and its technology is more routine. Organic structures tend to work better when the environment is less stable and the technology is less routine.

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Skill: Recall

170) Describe the main characteristics of virtual organizations, modular organizations and boundaryless organizations. How do they differ from each other?

Answer: Virtual organizations consist of a network of continually evolving independent organizations that share skills, costs, and access to one another's markets. Modular organizations perform a few core functions and outsource noncore activities to specialists and suppliers. Boundaryless organizations remove vertical, horizontal, and external barriers so that employees, managers, customers and suppliers can work together, share ideas, and identify the best ideas for the organization. A major distinction between virtual and modular organizations is that virtual organizations give up part of their control and experience higher interdependence between their network members, while modular organizations retain complete strategic control. Virtual and modular organizations represent structures which reduce or modify external boundaries, while boundaryless organizations attempt to remove both external and internal boundaries.

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Skill: Applied

171) What is downsizing and what are its implications for organizational structure?

Answer: Downsizing refers to the intentional reduction in workforce size with the goal of improving organizational efficiency or effectiveness. In a simple downsizing, it is possible that as size decreases the firm should reduce its complexity, centralize, and become less formalized. However, this assumes that downsizing occurs proportionally in all parts of the organizations and this is not the case. Thus, a new downsized structure will not necessarily look like a mini-version of the old structure.

Page Ref: 504

Skill: Recall

172) You have just been hired as a management consultant by a large organization that considering downsizing. The CEO plans to layoff thousands of workers but is worried about the effect this will have on the morale of the remaining employees. You have been asked to come up with other approaches to downsizing. What will you suggest?

Answer: Downsizing can be accomplished in a variety of ways. Although layoffs are common, other approaches include: hiring freezes, natural attrition, and reducing horizontal and vertical complexity.

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Skill: Applied

173) Discuss three symptoms of structural problems in organizations.

Answer: Six symptoms of structural problems are described in the text: bad job design, the right hand does not know what the left is doing, persistent conflict between departments, slow response times, decisions made with incomplete information, and a proliferation of committees.

Page Ref: 505

Skill: Recall

174) Your organization is considering downsizing and you have been asked to inform management about the problems and consequences of downsizing. What will you tell them?

Answer: You should tell them about the importance of managing the structural and human consequences of downsizing. Structurally, you want to inform them to avoid the tendency to become more mechanistic, especially more formalized and centralized because it can reduce flexibility when it is most needed. You will want to tell them to avoid unnecessary formalization or centralization especially on matters that might have a negative impact on customers or clients. They should not allow internal tightening up to damage external relationships. You should also tell them to think carefully about the work that needs to be done and who should do it before downsizing. They should also consider the implications of removing management levels for job design and workload. If only management ranks are thinned, managers will have larger spans below them and less support above them. This can be a problem if managers are overloaded with work or are incapable of delegating to subordinates. Increased spans that accompany flatter structures can also lead to ethical violations and corporate fraud as traditional guards against unethical activities may be lacking. You should also tell them to involve employees in downsizing plans as surprising employees with workforce cuts can result in low morale, reduce productivity, and distrust of management. You should inform that while downsizing has the potential to improve organizational effectiveness in certain circumstances, its impact on structure and morale must be anticipated and managed as downsizing often leads to reduced satisfaction and commitment, increased absenteeism, and damaged health. Further, downsizing does not result in cost reductions in the long run or improvements in productivity. Finally, you should remind them that the negative outcomes of downsizing are primarily due to poor implementation, such as a lack of supporting activities and when carefully and properly managed, downsizing can have positive consequences.

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Skill: Applied

175) What are the disadvantages of modular organizations?

Answer: They work best when they focus on the right specialty and have good suppliers. Because they are dependent on so many outsiders, it is critical that they find suppliers who are reliable and loyal and can be trusted with trade secrets. They must also be careful not to outsource critical technologies which could diminish future competitive advantages. Another disadvantage is decreased operational control due to dependence on outsiders.

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Skill: Recall