Organization Theory and Design Canadian 2nd Edition Daft Test Bank

1. Which of the following is *not* a key component in the definition of organization structure?
   a. Organization structure includes the design systems to ensure effective communication, coordination, and integration of effort across departments.
   b. Organization structure identifies the tasks, functions, and processes for each department and position within the organization.
   c. Organization structure identifies the grouping together of individuals into departments and of departments into the total organization.
   d. Organization structure designates formal reporting relationships, including the number of levels in the hierarchy and the span of control of managers and supervisors.

ANSWER:	b
RATIONALE:	Feedback: The following three key components define organization structure: 1. Organization structure designates formal reporting relationships, including the number of levels in the hierarchy and the span of control of managers and supervisors. 2. Organization structure identifies the grouping together of individuals into departments and of departments into the total organization. 3. Organization structure includes the design of systems to ensure effective communication, coordination, and integration of efforts across departments.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-01 - 03-01
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Organization Structure
KEYWORDS:	Bloom's: Remember

2. Organization structure identifies the grouping together of individuals into departments and of departments into the total organization.
3. Organization structure includes the design of systems to ensure effective communication, coordination, and integration of efforts across departments.

2. Which of the following is true of effective information sharing in an organization?
   a. Information should be shared vertically, but not horizontally.
   b. Vertical linkages are designed primarily for coordination and collaboration.
   c. The structure should fit the information requirements of the organization.
   d. It is not possible to give people a lot of information.

ANSWER:	c
RATIONALE:	Feedback: If the structure does not fit the information requirements of the organization, people either will have too little information or will spend time processing information that is not vital to their tasks, thus reducing effectiveness.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-02 - 03-02
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

3. _____ means that decision authority is located near the top of the organization.
   a. Centralization
   b. Decentralization
   c. Joint collaboration
   d. Horizontal linkage

ANSWER:	a
RATIONALE:	Feedback: Centralization and decentralization pertain to the hierarchical level at which

decisions are made. Centralization means that decision authority is located near the top of the organization.

POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-02 - 03-02
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Remember

4. With _____, decision authority is pushed downward to lower organization levels.
    a. centralization
    b. decentralization
    c. full-time integration
    d. task forces

ANSWER:	b
RATIONALE:	Feedback: Centralization and decentralization pertain to the hierarchical level at which decisions are made. With decentralization, decision authority is pushed downward to lower organization levels.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-02 - 03-02
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Remember

5. _____ are used to coordinate activities between the top and bottom of an organization and are designed primarily for control of the organization.
    a. Vertical linkages
    b. Functional groups
    c. Horizontal linkages
    d. Divisional groups

ANSWER:	a
RATIONALE:	Feedback: Vertical linkages are used to coordinate activities between the top and bottom of an organization and are designed primarily for control of the organization. Organizations may use any of a variety of structural devices to achieve vertical linkage, including hierarchical referral, rules and plans, and formal management information systems.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-02 - 03-02
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Remember

6. Which of the following strategies includes periodic reports, written information, and computer-based communications?
    a. Rules and plans
    b. Task forces
    c. Vertical information systems
    d. Hierarchical referral

ANSWER:	c
RATIONALE:	Feedback: A vertical information system is a strategy for increasing vertical information capacity. Vertical information systems include the periodic reports, written information, and

computer-based communications distributed to managers.

POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-02 - 03-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Information-Sharing Perspective on Structure
KEYWORDS: Bloom's: Remember

7. A liaison role exists when:

    a. there is direct contact between managers affected by a problem.

    b. there is an exchange of paperwork during a hiring process.

    c. a temporary committee composed of representatives from each department affected by a problem is formed.

    d. a person located in one department has the responsibility for communicating and achieving coordination with another department.

ANSWER: d
RATIONALE: Feedback: One way to promote direct contact is to create a special liaison role. A liaison person is located in one department but has the responsibility for communicating and achieving coordination and collaboration with another department.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-02 - 03-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Information-Sharing Perspective on Structure
KEYWORDS: Bloom's: Understand

8. Brian is the brand manager for Bake 'n Bite Pastries. His job requires him to coordinate several aspects of the brand, right from the design to the distribution of the product. Although he does not report to any of the teams being coordinated, he still plays an active role in managing the product. In the context of horizontal linkages, Brian is _____.

    a. a liaison

    b. a full-time integrator

    c. the head of a task force

    d. a team leader

ANSWER: b
RATIONALE: Feedback: Brian is a full-time integrator. A full-time integrator frequently has a title, such as product manager, project manager, program manager, or brand manager. Unlike a liaison person, the integrator does not report to one of the functional departments being coordinated. He or she is located outside the departments and has the responsibility for coordinating several departments.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-03 - 03-03
NATIONAL STANDARDS: United States - AACSB: Reflective Thinking
TOPICS: Information-Sharing Perspective on Structure
KEYWORDS: Bloom's: Apply

9. A full-time integrator:

    a. improves vertical linkages in an organization.

    b. has a title such as brand manage or product manager.

    c. reports to one of the functional departments being coordinated.

    d. has the responsibility of coordinating only one department.

ANSWER: b

RATIONALE:	Feedback: A stronger horizontal linkage device is to create a full-time position or department solely for the purpose of coordination. A full-time integrator frequently has a title, such as product manager, project manager, program manager, or brand manager.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-03 - 03-03
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

10. Which of the following is true of full-time integrators?
   a. They have a lot of authority but little responsibility.
   b. They communicate with and are responsible for one department.
   c. They need excellent people skills.
   d. They are usually a part of the team being coordinated.

ANSWER:	c
RATIONALE:	Feedback: Integrators need excellent people skills. Integrators in most companies have a lot of responsibility but little authority.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-03 - 03-03
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

11. Which of the following is true of teams?
   a. Teams tend to be the weakest horizontal linkage mechanism.
   b. Teams are the first device in a variety of structural devices to achieve vertical linkage.
   c. Teams provide a standard information source enabling employees to be coordinated without actually communicating about every task.
   d. Teams are often used in conjunction with a fulltime integrator.

ANSWER:	d
RATIONALE:	Feedback: Teams are permanent task forces and are often used in conjunction with a fulltime integrator.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-03 - 03-03
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

12. A(n) _____ is a group that is made up of organizationally or geographically dispersed members who are linked primarily through advanced information and communications technologies.
   a. vertical linkage
   b. functional department
   c. organizational committee
   d. virtual team

ANSWER:	d
RATIONALE:	Feedback: Many of today's companies use virtual cross-functional teams. A virtual team is one that is made up of organizationally or geographically dispersed members who are linked primarily through advanced information and communications technologies.

13. The highest level of horizontal coordination is:
    a. relational coordination.
    b. departmental grouping.
    c. hierarchical referral.
    d. functional grouping.

ANSWER: a
RATIONALE: Feedback: The highest level of horizontal coordination is relational coordination. Relational coordination refers to "frequent, timely, problem-solving communication carried out through relationships of shared goals, shared knowledge, and mutual respect."
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-03 - 03-03
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Information-Sharing Perspective on Structure
KEYWORDS: Bloom's: Remember

14. _____ refers to frequent, timely, problem-solving communication carried out through relationships of shared goals, shared knowledge, and mutual respect.
    a. Relational coordination
    b. Departmental grouping
    c. Hierarchical referral
    d. Functional grouping

ANSWER: a
RATIONALE: Feedback: The highest level of horizontal coordination is relational coordination. Relational coordination refers to "frequent, timely, problem-solving communication carried out through relationships of shared goals, shared knowledge, and mutual respect."
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-03 - 03-03
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Information-Sharing Perspective on Structure
KEYWORDS: Bloom's: Remember

15. Which of the following is true of relational coordination?
    a. Relational coordination is the lowest level of horizontal coordination.
    b. Relational coordination is the first device in the variety of structural devices to achieve vertical linkage.
    c. Relational coordination provides a standard information source enabling employees to be coordinated without actually communicating about every task.
    d. Relational coordination is not a device or mechanism like other elements, but rather is part of the very fabric and culture of the organization.

ANSWER: d
RATIONALE: Feedback: The highest level of horizontal coordination is relational coordination. Relational coordination is not a device or mechanism like other elements, but rather is part of the very fabric and culture of the organization.

16. The overall design of organization structure indicates all of the following *except*:
     a. work activities.
     b. reporting relationships.
     c. departmental groupings.
     d. information systems.

ANSWER: d
RATIONALE: Feedback: The overall design of organization structure indicates three things: required work activities, reporting relationships, and departmental groupings.

17. _____ places together employees who perform similar functions or work processes or who bring similar knowledge and skills to bear.
     a. Functional grouping
     b. Divisional grouping
     c. Multifocused grouping
     d. Horizontal grouping

ANSWER: a
RATIONALE: Feedback: Functional grouping places together employees who perform similar functions or work processes or who bring similar knowledge and skills to bear. For example, all marketing people work together under the same supervisor, as do all manufacturing employees, all human resources people, and all engineers.

18. _____ means people are organized according to what the organization produces.
     a. Functional grouping
     b. Divisional grouping
     c. Multifocused grouping
     d. Horizontal grouping

ANSWER: b
RATIONALE: Feedback: Divisional grouping means people are organized according to what the organization produces. For example, all the people required to produce toothpaste—including personnel in marketing, manufacturing, and sales—are grouped together under one executive.

19. _____ means an organization embraces two or more structural grouping alternatives simultaneously.
   a. Functional grouping
   b. Divisional grouping
   c. Multifocused grouping
   d. Horizontal grouping

ANSWER: c
RATIONALE: Feedback: Multifocused grouping means an organization embraces two or more structural grouping alternatives simultaneously. These structural forms are often called matrix or hybrid.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-04 - 03-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organization Design Alternatives
KEYWORDS: Bloom's: Remember

20. _____ means employees are organized around core work processes, the end-to-end work, information, and material flows that provide value directly to customers.
   a. Functional grouping
   b. Divisional grouping
   c. Multifocused grouping
   d. Horizontal grouping

ANSWER: d
RATIONALE: Feedback: Horizontal grouping means employees are organized around core work processes, the end-to-end work, information, and material flows that provide value directly to customers. All the people who work on a core process are brought together in a group rather than being separated into functional departments.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-04 - 03-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organization Design Alternatives
KEYWORDS: Bloom's: Remember

21. In _____, departments are separate organizations that are electronically connected for the sharing of information and completion of tasks.
   a. functional grouping
   b. virtual network grouping
   c. divisional grouping
   d. horizontal grouping

ANSWER: a
RATIONALE: Feedback: With virtual network grouping, the organization is a loosely connected cluster of separate components. In essence, departments are separate organizations that are electronically connected for the sharing of information and completion of tasks.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-04 - 03-04

22. In a _____, activities are grouped together by common function from the bottom to the top of the organization.
    a. functional structure

    b. divisional structure

    c. geographic structure

    d. hybrid structure

ANSWER: a

RATIONALE: Feedback: Functional grouping and divisional grouping are the two most common approaches to structural design. In a functional structure, also called a U-form (unitary), activities are grouped together by common function from the bottom to the top of the organization.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.03-04 - 03-04

NATIONAL STANDARDS: United States - AACSB:

TOPICS: Functional, Divisional, and Geographic Designs

KEYWORDS: Bloom's:

23. Which of the following is a strength of a functional structure?
    a. It has fast response time to environmental changes.

    b. It leads to excellent horizontal coordination among departments.

    c. It results in more innovation.

    d. It allows economies of scale within functional departments.

ANSWER: d

RATIONALE: Feedback: One of the strengths of a functional structure is that it allows economies of scale within functional departments. Also, it enables organization to accomplish functional goals.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.03-05 - 03-05

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Functional, Divisional, and Geographic Designs

KEYWORDS: Bloom's: Understand

24. Which of the following is a weakness of a functional structure?
    a. It has slow response time to environmental changes.

    b. It restricts economies of scale within functional departments.

    c. It restricts in-depth knowledge and skill development.

    d. It restricts organizations from accomplishing functional goals.

ANSWER: a

RATIONALE: Feedback: One of the weaknesses of a functional structure is that it has slow response time to environmental changes. It also leads to poor horizontal coordination among departments.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.03-05 - 03-05

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Functional, Divisional, and Geographic Designs

KEYWORDS: Bloom's: Understand

25. Which of the following is true of a functional structure?

    a. It reacts quickly to environmental changes.

    b. It has a strong need for horizontal coordination.

    c. It often results in hierarchy overload.

    d. It cannot work in small organizations.

ANSWER:	c
RATIONALE:	Feedback: The main weakness of the functional structure is a slow response to environmental changes that require coordination across departments. The vertical hierarchy becomes overloaded.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-05 - 03-05
NATIONAL STANDARDS:	United States - AACSB:
TOPICS:	Functional, Divisional, and Geographic Designs
KEYWORDS:	Bloom's:

26. With a _____, separate divisions can be organized with responsibility for individual products, services, product groups, major projects or programs, divisions, businesses, or profit centers.

    a. functional structure

    b. divisional structure

    c. geographic structure

    d. hybrid structure

ANSWER:	b
RATIONALE:	Feedback: With a divisional structure, also called an M-form (multidivisional) or a decentralized form, separate divisions can be organized with responsibility for individual products, services, product groups, major projects or programs, divisions, businesses, or profit centers. This structure is sometimes also called a product structure or strategic business unit structure.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-04 - 03-04
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Functional, Divisional, and Geographic Designs
KEYWORDS:	Bloom's: Remember

27. Which of the following is true of a divisional structure?

    a. It is also known as chain of command.

    b. It is also called a U-form (unitary) structure.

    c. It is a centralized structural form.

    d. It is used to promote flexibility and change.

ANSWER:	d
RATIONALE:	Feedback: The divisional structure promotes flexibility and change because each unit is smaller than in the functional structure and can adapt to the needs of its environment. Moreover, the divisional structure decentralizes decision making because the lines of authority converge at a lower level in the hierarchy.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-04 - 03-04
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Functional, Divisional, and Geographic Designs

28. The matrix structure is the correct structure when three conditions are met. Which of the following is one of these three conditions?

    a. Pressure exists to share scarce resources across product lines.

    b. Technical quality is not very important.

    c. The environmental domain of the organization is simple.

    d. The environmental domain of the organization is certain and stable.

ANSWER:	a
RATIONALE:	Feedback: A dual hierarchy may seem an unusual way to design an organization, but the matrix is the correct structure when the following conditions are present: · *Condition 1.* Pressure exists to share scarce resources across product lines. · *Condition 2.* Environmental pressure exists for two or more critical outputs, such as for in-depth technical knowledge (functional structure) and frequent new products (divisional structure). · *Condition 3.* The environmental domain of the organization is both complex and uncertain.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03.04 - 03.04
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Matrix Structure
KEYWORDS:	Bloom's: Remember

29. The term _____ means the redesign of a vertical organization along its horizontal workflows and processes.

    a. vertical linkage

    b. vertical network grouping

    c. innovating

    d. reengineering

ANSWER:	d
RATIONALE:	Feedback: Organizations typically shift toward a horizontal structure during a procedure called reengineering. Reengineering, or business process reengineering, basically means the redesign of a vertical organization along its horizontal workflows and processes.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-06 - 03-06
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Horizontal Structure
KEYWORDS:	Bloom's: Remember

30. Which of the following is *not* a symptom of structural deficiency?

    a. Decision making is delayed or lacking quality.

    b. The organization does not respond innovatively to a changing environment.

    c. There is an absence of collaboration among units.

    d. Employees begin to resign in large numbers.

ANSWER:	d
RATIONALE:	Feedback: All the other three are symptoms of structural deficiency except employees feeling depressed and lacking motivation.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-07 - 03-07
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Applications of Structural Design

31. An organization chart is the visual representation of a whole set of underlying activities and processes in an organization.
    a. True
    b. False

ANSWER: True
RATIONALE: Feedback: The organization chart is the visual representation of a whole set of underlying activities and processes in an organization. Organization structure is reflected in the organization chart.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-01 - 03-01
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organization Structure
KEYWORDS: Bloom's: Remember

32. The purpose of the organization chart is to encourage and direct employees into activities and communications that enable the organization to achieve its goals.
    a. True
    b. False

ANSWER: True
RATIONALE: Feedback: The purpose of the organization chart is to encourage and direct employees into activities and communications that enable the organization to achieve its goals. The organization chart provides the structure, but employees provide the behavior.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-01 - 03-01
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organization Structures
KEYWORDS: Bloom's: Understand

33. Emphasis on learning and adaptation is associated with centralized decision making.
    a. True
    b. False

ANSWER: False
RATIONALE: Feedback: Emphasis on learning and adaptation is associated with shared tasks; a relaxed hierarchy; few rules; face-to-face communication; many teams and task forces; and informal, decentralized decision making.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-02 - 03-02
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Information-Sharing Perspective on Structure
KEYWORDS: Bloom's: Understand

34. Managers create information linkages to facilitate communication and coordination among organizational elements.
    a. True
    b. False

ANSWER: True
RATIONALE: Feedback: Organization design should facilitate the communication among employees and

departments that is necessary to accomplish the organization's overall task. Managers create information linkages to facilitate communication and coordination among organizational elements.

POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-02 - 03-02
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

35. A task force personnel is located in one department but has the responsibility for communicating and achieving coordination with another department.
    a. True
    b. False

ANSWER:	False
RATIONALE:	Feedback: A liaison person is located in one department but has the responsibility for communicating and achieving coordination and collaboration with another department. For example, liaison roles often exist between engineering and manufacturing departments because engineering has to develop and test products to fit the limitations of manufacturing facilities.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-03 - 03-03
NATIONAL STANDARDS:	United States - AACSB: Communication
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

36. Integrators need excellent people skills.
    a. True
    b. False

ANSWER:	True
RATIONALE:	Feedback: Integrators need excellent people skills. Integrators in most companies have a lot of responsibility but little authority.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-03 - 03-03
NATIONAL STANDARDS:	United States - AACSB: Communication
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

37. Integrators have a lot of authority.
    a. True
    b. False

ANSWER:	False
RATIONALE:	Feedback: Integrators need excellent people skills. Integrators in most companies have a lot of responsibility but little authority.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-03 - 03-03
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

38. Project teams are permanent task forces.
    a. True
    b. False

ANSWER:　　　　　　　　True

RATIONALE:　　　　　　Feedback: Teams are permanent task forces and are often used in conjunction with a fulltime integrator.

POINTS:　　　　　　　　1

LEARNING OBJECTIVES:　ORGT.DAFT.16.03-03 - 03-03

NATIONAL STANDARDS:　United States - AACSB:

TOPICS:　　　　　　　　Information-Sharing Perspective on Structure

KEYWORDS:　　　　　　Bloom's:

39. Teams are never used in conjunction with a fulltime integrator.
    a. True
    b. False

ANSWER:　　　　　　　　False

RATIONALE:　　　　　　Feedback: Teams are permanent task forces and are often used in conjunction with a fulltime integrator.

POINTS:　　　　　　　　1

LEARNING OBJECTIVES:　ORGT.DAFT.16.03-03 - 03-03

NATIONAL STANDARDS:　United States - AACSB: Analytic

TOPICS:　　　　　　　　Information-Sharing Perspective on Structure

KEYWORDS:　　　　　　Bloom's: Understand

40. The lowest level of horizontal coordination is relational coordination.
    a. True
    b. False

ANSWER:　　　　　　　　False

RATIONALE:　　　　　　Feedback: The highest level of horizontal coordination is relational coordination. Relational coordination refers to "frequent, timely, problem-solving communication carried out through relationships of shared goals, shared knowledge, and mutual respect."

POINTS:　　　　　　　　1

LEARNING OBJECTIVES:　ORGT.DAFT.16.03-03 - 03-03

NATIONAL STANDARDS:　United States - AACSB: Analytic

TOPICS:　　　　　　　　Information-Sharing Perspective on Structure

KEYWORDS:　　　　　　Bloom's: Remember

41. As organizations grow larger, and more complex, managers find that less functions need to be performed for company's growth.
    a. True
    b. False

ANSWER:　　　　　　　　False

RATIONALE:　　　　　　Feedback: As organizations grow larger and more complex, managers find that more functions need to be performed. Organizations typically define new positions, departments, or divisions as a way to accomplish new tasks deemed valuable by the organization.

POINTS:　　　　　　　　1

LEARNING OBJECTIVES:　ORGT.DAFT.16.03-04 - 03-04

42. Alternatives for grouping employees and departments into overall structural design include functional grouping, divisional grouping, multifocused grouping, horizontal grouping, and virtual network grouping.
    a. True
    b. False

ANSWER: True
RATIONALE: Feedback: Alternatives for grouping employees and departments into overall structural design include functional grouping, divisional grouping, multifocused grouping, horizontal grouping, and virtual network grouping. The choice among functional, divisional, and horizontal structures determines where coordination and integration will be greatest.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-04 - 03-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organization Design Alternatives
KEYWORDS: Bloom's: Understand

43. For the organization to be effective, departments should be located together in one geographic location rather than being spread all over the world.
    a. True
    b. False

ANSWER: False
RATIONALE: Feedback: Virtual network grouping is the most recent approach to departmental grouping. Departments can be spread all over the world rather than located together in one geographic location.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-04 - 03-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Organization Design Alternatives
KEYWORDS: Bloom's: Understand

44. A functional structure is also called an M-form (multidivisional) structure.
    a. True
    b. False

ANSWER: False
RATIONALE: Feedback: In a functional structure, also called a U-form (unitary), activities are grouped together by common function from the bottom to the top of the organization.
POINTS: 1
LEARNING OBJECTIVES: ORGT.DAFT.16.03-04 - 03-04
NATIONAL STANDARDS: United States - AACSB: Analytic
TOPICS: Functional, Divisional, and Geographic Designs
KEYWORDS: Bloom's: Remember

45. A weakness of functional structures is that they seldom enable in-depth knowledge and skill development.
    a. True
    b. False

ANSWER:	False
RATIONALE:	Feedback: One of the strengths of functional structures is that they enable in-depth knowledge and skill development.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-05 - 03-05
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Functional, Divisional, and Geographic Designs
KEYWORDS:	Bloom's: Understand

46. The distinctive feature of a divisional structure is that grouping is based on organizational outputs.
    a. True
    b. False

ANSWER:	True
RATIONALE:	Feedback: The distinctive feature of a divisional structure is that grouping is based on organizational outputs. This structure is sometimes also called a product structure or strategic business unit structure.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-05 - 03-05
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Functional, Divisional, and Geographic Designs
KEYWORDS:	Bloom's: Understand

47. Divisional structures are centralized, while functional structures are decentralized.
    a. True
    b. False

ANSWER:	False
RATIONALE:	Feedback: The divisional structure decentralizes decision making because the lines of authority converge at a lower level in the hierarchy. The functional structure, by contrast, is centralized because it forces decisions all the way to the top before a problem affecting several functions can be resolved.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-04 - 03-04
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Functional, Divisional, and Geographic Designs
KEYWORDS:	Bloom's: Understand

48. An advantage of the divisional structure is that coordination across functions is excellent.
    a. True
    b. False

ANSWER:	True
RATIONALE:	Feedback: The divisional structure has several strengths. Coordination across functions is excellent.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-05 - 03-05
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Functional, Divisional, and Geographic Designs
KEYWORDS:	Bloom's: Understand

49. The strengths and weaknesses of a geographic divisional structure are similar to the divisional organization characteristics.
    a. True
    b. False

ANSWER:	True
RATIONALE:	Feedback: The strengths and weaknesses of a geographic divisional structure are similar to the divisional organization characteristics. Horizontal coordination within a region is emphasized rather than linkages across regions or to the national office.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-05 - 03-05
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Functional, Divisional, and Geographic Designs
KEYWORDS:	Bloom's: Understand

50. When functional and divisional structures do not work for a particular function or product, then matrix structure will not work either.
    a. True
    b. False

ANSWER:	False
RATIONALE:	Feedback: The matrix structure often is the answer when organizations find that the functional, divisional, and geographic structures combined with horizontal linkage mechanisms will not work. The matrix is a strong form of horizontal linkage.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-04 - 03-04
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Matrix Structure
KEYWORDS:	Bloom's: Understand

51. There are two variations of matrix structure: the geographic matrix and the divisional matrix.
    a. True
    b. False

ANSWER:	False
RATIONALE:	Feedback: Many companies have found a balanced matrix hard to implement and maintain because one side of the authority structure often dominates. As a consequence, two variations of matrix structure have evolved—the functional matrix and the product matrix.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-04 - 03-04
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Matrix Structure
KEYWORDS:	Bloom's: Remember

52. The matrix structure is best when environmental change is high and when goals reflect a dual requirement.
    a. True
    b. False

ANSWER:	True
RATIONALE:	Feedback: The matrix structure is best when environmental change is high and when goals reflect a dual requirement, such as for both product and functional goals.
POINTS:	1

53. One disadvantage of the matrix is that some employees experience dual authority, reporting to two bosses and sometimes juggling conflicting demands.
    a. True
    b. False

ANSWER:	True
RATIONALE:	Feedback: One disadvantage of the matrix is that some employees experience dual authority, reporting to two bosses and sometimes juggling conflicting demands. This can be frustrating and confusing, especially if roles and responsibilities are not clearly defined by top managers.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-05 - 03-05
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Matrix Structure
KEYWORDS:	Bloom's: Understand

54. The horizontal structure organizes employees around core processes.
    a. True
    b. False

ANSWER:	True
RATIONALE:	Feedback: A recent approach to organizing is the horizontal structure, which organizes employees around core processes.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-06 - 03-06
NATIONAL STANDARDS:	United States - AACSB:
TOPICS:	Horizontal Structure
KEYWORDS:	Bloom's:

55. The biggest strength of virtual network structures is that managers have hands-on control over every activity and employee.
    a. True
    b. False

ANSWER:	False
RATIONALE:	Feedback: One of the weaknesses of virtual network structures is that managers do not have hands-on control over many activities and employees.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-06 - 03-06
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Virtual Networks and Outsourcing
KEYWORDS:	Bloom's: Understand

56. Explain the three components that define organizational structure.
ANSWER: The following three key components define organization structure:
    1. Organization structure designates formal reporting relationships, including the number of

levels in the hierarchy and the span of control of managers and supervisors.

2. Organization structure identifies the grouping together of individuals into departments and of departments into the total organization.

3. Organization structure includes the design of systems to ensure effective communication, coordination, and integration of efforts across departments.

POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-01 - 03-01
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Organization Structure
KEYWORDS:	Bloom's: Remember

57. What do organizational charts reflect?

ANSWER:	Organization structure is reflected in the organization chart. It is not possible to see the internal structure of an organization the way we might see its manufacturing tools, offices, website, or products. Although we might see employees going about their duties, performing different tasks, and working in different locations, the only way to actually see the structure underlying all this activity is through the organization chart. The organization chart is the visual representation of a whole set of underlying activities and processes in an organization. An organizational chart can be quite useful in understanding how a company works. It shows the various parts of an organization, how they are interrelated, and how each position and department fits into the whole.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-01 - 03-01
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Organization Structure
KEYWORDS:	Bloom's: Understand

58. Discuss how rules and plans can be used to achieve vertical linkage.

ANSWER:	To the extent that problems and decisions are repetitious, a rule or procedure can be established so employees know how to respond without communicating directly with their manager. Rules and procedures provide a standard information source enabling employees to be coordinated without actually communicating about every task. At PepsiCo's Gemesa cookie business in Mexico, for example, managers carefully brief production workers on goals, processes, and procedures so that employees themselves do most of the work of keeping the production process running smoothly, enabling the plants to operate with fewer managers. Plans also provide standing information for employees. The most widely used plan is the budget. With carefully designed and communicated budget plans, employees at lower levels can be left on their own to perform activities within their resource allotment.
POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-02 - 03-02
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

59. Explain collaboration with an example.

ANSWER:	Collaboration means a joint effort between people from two or more departments to produce outcomes that meet a common goal or shared purpose and that are typically greater than what any of the individuals or departments could achieve working alone. To understand the value of collaboration, consider the 2011 U.S. mission to raid Osama bin Laden's compound in Pakistan. The raid could not have succeeded without close collaboration between the Central

Intelligence Agency (CIA) and the U.S. military. There has traditionally been little interaction between the nation's intelligence officers and its military officers, but the war on terrorism has changed that mindset. During planning for the bin Laden mission, military officers spent every day for months working closely with the CIA team in a remote, secure facility on the CIA campus. "This is the kind of thing that, in the past, people who watched movies thought was possible, but no one in the government thought was possible," one official later said of the collaborative mission.

POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-02 - 03-02
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

60. Compare liaison roles with task forces.

ANSWER:	A liaison role is one of the devices used to achieve horizontal linkage. A liaison person is located in one department but has the responsibility for communicating and achieving coordination and collaboration with another department. Liaison roles often exist between engineering and manufacturing departments because engineering has to develop and test products to fit the limitations of manufacturing facilities. An engineer's office might be located in the manufacturing area so the engineer is readily available for discussions with manufacturing supervisors about engineering problems with the manufactured products. A research and development person might sit in on sales meetings to coordinate new product development with what sales people think customers are wanting.
	Liaison roles usually link only two departments. When linkage involves several departments, a more complex device such as a task force is required. A task force is a temporary committee composed of representatives from each organizational unit affected by a problem. Each member represents the interest of a department or division and can carry information from the meeting back to that department. Task forces are an effective horizontal linkage device for temporary issues. They solve problems by direct horizontal collaboration and reduce the information load on the vertical hierarchy. Typically, they are disbanded after their tasks are accomplished. Organizations have used task forces for everything from organizing the annual company picnic to solving expensive and complex manufacturing problems. One example comes from Georgetown Preparatory School in North Bethesda, Maryland, which used a task force made up of teachers, administrators, coaches, support staff, and outside consultants to develop a flu preparedness plan. When the H1N1 flu threat hit several years ago, Georgetown was much better equipped than most educational institutions to deal with the crisis because they had a plan in place.

POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-03 - 03-03
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Information-Sharing Perspective on Structure
KEYWORDS:	Bloom's: Understand

61. Discuss the role of a full time integrator.

ANSWER:	The position of a full-time integrator was created solely for the purpose of coordination. A full-time integrator frequently has a title, such as product manager, project manager, program manager, or brand manager. Unlike a liaison person, the integrator does not report to one of the functional departments being coordinated. He or she is located outside the departments and has the responsibility for coordinating several departments. The brand manager for Planters Peanuts, for example, coordinates the sales, distribution, and advertising for that product. The integrator can also be responsible for an innovation or change project, such as coordinating the design, financing, and marketing of a new product. Integrators need

excellent people skills. Integrators in most companies have a lot of responsibility but little authority. The integrator has to use expertise and persuasion to achieve coordination. He or she spans the boundary between departments and must be able to get people together, maintain their trust, confront problems, and resolve conflicts and disputes in the interest of the organization.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.03-03 - 03-03

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Information-Sharing Perspective on Structure

KEYWORDS: Bloom's: Remember

62. Compare divisional grouping with multifocused grouping.

ANSWER: Divisional grouping means people are organized according to what the organization produces. All the people required to produce toothpaste—including personnel in marketing, manufacturing, and sales—are grouped together under one executive. In huge corporations, such as Time Warner Corporation, some product or service lines may represent independent businesses, such as Warner Brothers Entertainment (movies and videos), Time Inc. (publisher of magazines such as Sports Illustrated, Time, and People), and Turner Broadcasting (cable television networks).

Multifocused grouping means an organization embraces two or more structural grouping alternatives simultaneously. An organization may need to group by function and product division simultaneously or might need to combine characteristics of several structural options.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.03-04 - 03-04

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Organization Design Alternatives

KEYWORDS: Bloom's: Understand

63. Discuss the strengths of functional structures.

ANSWER: One strength of the functional structure is that it promotes economy of scale within functions. Economy of scale results when all employees are located in the same place and can share facilities. Producing all products in a single plant, for example, enables the plant to acquire the latest machinery. Constructing only one facility instead of separate facilities for each product line reduces duplication and waste. The functional structure also promotes in-depth skill development of employees. Employees are exposed to a range of functional activities within their own department. One interesting example comes from India, where Dr. Devi Shetty runs a hospital that performs open heart surgery for about 10 percent of the cost charged by hospitals in the United States, without reduced quality, by applying standardized operating procedures and principles of mass production.

POINTS: 1

LEARNING OBJECTIVES: ORGT.DAFT.16.03-05 - 03-05

NATIONAL STANDARDS: United States - AACSB: Analytic

TOPICS: Functional, Divisional, and Geographic Designs

KEYWORDS: Bloom's: Understand

64. A dual hierarchy may seem an unusual way to design an organization, but the matrix is the correct structure when certain conditions are present. What are those conditions?

ANSWER: A dual hierarchy may seem an unusual way to design an organization, but the matrix is the correct structure when the following conditions are present:

Condition 1. Pressure exists to share scarce resources across product lines. The organization is typically medium-sized and has a moderate number of product lines. It feels pressure for the shared and flexible use of people and equipment across those products. For example, the organization is not large enough to assign engineers full-time to each product line, so engineers are assigned part-time to several products or projects.

Condition 2. Environmental pressure exists for two or more critical outputs, such as for in-depth technical knowledge (functional structure) and frequent new products (divisional structure). This dual pressure means a balance of power is needed between the functional and product sides of the organization, and a dual-authority structure is needed to maintain that balance.

Condition 3. The environmental domain of the organization is both complex and uncertain. Frequent external changes and high interdependence between departments require a large amount of coordination and information processing in both vertical and horizontal directions. Under these three conditions, the vertical and horizontal lines of authority must be given equal recognition. A dual-authority structure is thereby created so the balance of power between them is equal.

POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-05 - 03-05
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Matrix Structure
KEYWORDS:	Bloom's: Remember

65. What are the symptoms of structural deficiency?

ANSWER:	As a general rule, when organization structure is out of alignment with organization needs, one or more of the following symptoms of structural deficiency appear.

· There is an absence of collaboration among units. Organization structure should encourage collaboration when and where it is needed to meet organizational goals. It should enable resolution of conflicting departmental needs and goals into a single set of goals for the entire organization. When departments act at cross-purposes or are under pressure to achieve departmental goals at the expense of organizational goals, the structure is often at fault. Horizontal linkage mechanisms are not adequate.

· Decision making is delayed or lacking in quality. Decision makers may be overloaded because the hierarchy funnels too many problems and decisions to them. Delegation to lower levels may be insufficient. Another cause of poor-quality decisions is that information may not reach the correct people. Information linkages in either the vertical or horizontal direction may be inadequate to ensure decision quality.

· The organization does not respond innovatively to a changing environment. One reason for lack of innovation is that departments are not coordinated horizontally. The identification of customer needs by the marketing department and the identification of technological developments in the research department must be coordinated. Organization structure also has to specify departmental responsibilities that include environmental scanning and innovation.

· Employee performance declines and goals are not being met. Employee performance may decline because the structure does not provide clear goals, responsibilities, and mechanisms for coordination and collaboration. The structure should reflect the complexity of the market environment yet be straightforward enough for employees to effectively work within.

POINTS:	1
LEARNING OBJECTIVES:	ORGT.DAFT.16.03-07 - 03-07
NATIONAL STANDARDS:	United States - AACSB: Analytic
TOPICS:	Applications of Structural Design
KEYWORDS:	Bloom's: Remember