

CHAPTER 3 – The environment and corporate culture

TRUE/FALSE

1. The organisational environment concept refers to all elements existing inside and outside the organisation's boundaries.

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: External environment

2. The general environment refers to factors in the organisation's external environment, while the task environment refers to factors in the organisation's internal environment.

ANS: F PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: External environment

3. Customer complaints and a new advertising campaign by competitors would be two important sectors emanating from the economic dimension of an organisation's general environment.

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: External environment

4. Employee complaints, and management responses to them, would be considered emanating from an organisation's internal environment.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

5. The international dimension includes the general economic health of the country or region in which the organisation operates.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Global
TOP: General environment

6. An example of an economic trend would be an increase in the population's concern for the natural environment.

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

7. Organisations in all sectors of the task and the environment that provide the resources and information transactions, flows and linkages necessary for an organisation to thrive are known as an organisational ecosystem.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Global
TOP: General environment

8. The task environment encompasses all the external environmental forces that impact directly on an organisation's operations and performance.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Task environment

9. An example of a technological force would be when a public agency enacts a regulation requiring organisations to decrease their carbon emissions.

ANS: F PTS: 1 DIF: Difficult NAT: AACSB Analytic
TOP: General environment

10. The change in the frequency of mergers and acquisitions would represent a trend in the economic dimension.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

11. Australian federal government reports on the increase in multicultural diversity in the past 20 years are part of the sociocultural dimension of the general environment.

ANS: T PTS: 1 DIF: Difficult NAT: AACSB Analytic
TOP: General environment

12. The introduction of the Carbon Tax by the Australia's Federal Government is an example of the natural environment dimension of the general environment.

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

13. The labour market represents people in the environment who can be hired to work for the organisation.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: General environment

14. Coca Cola, Schweppes and Berri Juice Co. are considered to be competitors since all three sell soft drink products to individuals and businesses.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

15. The unemployment market represents people in the environment who can be hired to work for the organisation.

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

16. A change to the Australian Federal government's foreign policy would represent an element belonging to the 'international' dimension of the general environment.

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

17. The labour market refers to the supply of available workers in a given location.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

18. If managers do not have sufficient information about environmental factors to understand and predict environmental needs and changes, then they are working under conditions of uncertainty.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Environmental uncertainty

19. An effort to spot trends that enable managers to predict future events is a boundary-spanning role.

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Boundary spanning

20. A sales merchandiser that visits local supermarkets and builds stock displays fills an essential boundary-spanning role for their organisation.

ANS: T PTS: 1 DIF: Difficult NAT: AACSB Analytic
TOP: Boundary spanning

21. Forecasting is an effort to spot trends that enable managers to predict future events.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Forecasting and planning

22. Management orientation based on trust in the ability of a partner to work out an equitable solution to conflicts so that everyone profits from the relationship is known as a 'partnership orientation'.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Boundary spanning

23. Mergers are a major factor in an organisation's external environment.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Mergers and joint ventures

24. A joint venture is a form of direct investment in which an organisation shares costs and risks with another organisation to build a manufacturing facility, develop new products or set up a sales and distribution network.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Mergers and joint ventures

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

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

26. A symbol is a figure who exemplifies the deeds, character and attributes of a corporate culture.

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

27. Advertising's main goal is to influence public opinion about the organisation.

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Influencing the environment

28. Political activity refers to any organisational attempts to influence government legislation and regulation.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Political activity

29. A trade association is one made up of organisations with similar interests of the purpose of influencing their environment.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Influencing the environment

30. The shared knowledge, beliefs, values, behaviours and ways of thinking among members of an organisation is known as its culture.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Influencing the environment

31. A hero is someone that exemplifies the deeds, character and attributes that represent the culture that a corporation wishes to maintain.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

32. A story is a phrase or sentence that succinctly expresses a key corporate value.

ANS: F PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Internal environment

33. The symbols of an organisation's culture may include the tables, chairs and decorations of an office space.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

34. Planned activities that make up a special event and that are conducted for the benefit of an audience are known as a ceremony.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Internal environment

35. In adaptive corporate cultures, managers are concerned about themselves, and their values tend to discourage risk taking and change.

ANS: F PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Environment and culture

36. The 'achievement culture' emerges in an environment that requires fast response and high-risk decision making.

ANS: T PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Environment and culture

37. The involvement culture emphasises an internal focus on the involvement and participation of employees to rapidly adapt to changing needs from the environment.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Environment and culture

38. Managers must over-communicate to ensure that employees understand the new culture values, and they signal these values in actions as well as words.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Cultural leadership

39. A cultural leader articulates a vision for the organisational culture that employees can believe in.

ANS: T PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Cultural leadership

MULTIPLE CHOICE

1. Which of these is a part of an organisation's internal environment?
- A. Its customers
 - B. Its casual staff members that work only on weekends
 - C. Its full time staff
 - D. Both B and C
 - E. Its competitors

ANS: D PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

2. Luke receives the 'Employee of the Month' award. Luke's award would be considered a part of the:
- A. general environment
 - B. task environment
 - C. economic environment
 - D. internal environment
 - E. political environment.

ANS: D PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

3. The _____ environment represents the outer layer of the environment and affects organisations _____.
- A. task; indirectly
 - B. general; directly
 - C. internal; directly
 - D. internal; indirectly
 - E. general; indirectly

ANS: E PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

4. The _____ environment represents the outer layer of the environment and affects organisations _____.
- A. task; indirectly
 - B. general; directly
 - C. task; directly
 - D. internal; indirectly
 - E. general; indirectly

ANS: C PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Task environment

5. Which of these is not a part of an organisation's general environment?
- A. Technological advances
 - B. Economic slowdowns
 - C. New competitors entering the local market
 - D. A change of federal government
 - E. Changes in people's attitudes

ANS: C PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

6. An organisation's task environment includes all of the following, except:

- A. Competitors
- B. Customers
- C. Labour markets
- D. Employers
- E. Suppliers

ANS: D PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Task environment

7. The dimension of the general environment representing the demographic characteristics, norms, customs and values of the population within which the organisation operates is referred to as the:

- A. legal-political dimension
- B. economic dimension
- C. technological dimension
- D. corporate culture dimension
- E. sociocultural dimension.

ANS: E PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: General environment

8. Which of the following consists of demographic factors (for example, population density)?

- A. Technological environment
- B. Sociocultural environment
- C. Legal-political environment
- D. Internal environment
- E. Economic environment

ANS: B PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

9. A state government inspection has required your company to upgrade its pollution abatement equipment in the production of bleached pulp. What dimension of the external environment has influenced these upgrades?

- A. Technological dimension
- B. Legal-political dimension
- C. Task dimension
- D. Sociocultural dimension
- E. Economic dimension

ANS: B PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

10. The _____ dimension of the general environment includes all elements that occur naturally on earth, including plants, animals, rocks, and natural resources such as air, water, and climate.

- A. technological
- B. natural environment
- C. economic
- D. sociocultural
- E. international

ANS: B PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: General environment

11. The Doctors for Forests group works within the legal-political framework to influence the company to behave in socially and environmentally responsible ways. This group may be called a:
- A. pressure group
 - B. legal group
 - C. group of retirees
 - D. social group
 - E. corporate governance group.

ANS: A PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Task environment

12. Mile-high Marketers wants to compile a profile of the customer it will target in its next promotional mailing. What environment would this be included within?
- A. The internal environment
 - B. The task environment
 - C. The work environment
 - D. The general environment
 - E. Two of these choices

ANS: B PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Task environment

13. Which of these is included in an organisation's task environment?
- A. Suppliers
 - B. Accounting procedures
 - C. Customers
 - D. Government
 - E. Both A and C

ANS: E PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Task environment

14. For Qantas, all of the following could be suppliers, except:
- A. BP (providing jet fuel)
 - B. National Australia Bank (providing finances)
 - C. Virgin Blue (providing competition in the domestic market)
 - D. Boeing (providing planes)
 - E. All of these are suppliers for Qantas.

ANS: C PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Task environment

15. The _____ represents people who can be hired to work for the organisation.
- A. competition
 - B. labour market
 - C. supplier
 - D. customer
 - E. government

ANS: B PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Task environment

16. Which statement below is correct?
- A. When the environment is dynamic, uncertainty is low.
 - B. When the environment is unstable, uncertainty is low.

- C. A dynamic environment has greater uncertainty than a stable environment.
- D. The stability of the environment does not determine the structure of the organisation.
- E. None of these choices.

ANS: C PTS: 1 DIF: Difficult NAT: AACSB Analytic
TOP: Environmental uncertainty

17. Each of the following represents a forecasting technique, except:
- A. Quantitative economic modelling
 - B. Analysing trends in newspaper clippings
 - C. Collecting and analysing competitor sales catalogues
 - D. Only A and B
 - E. A, B and C.

ANS: E PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Forecasting and planning

18. Organisations that are embedded in complex networks of relationships that result in them competing in some markets, whilst collaborating in others, is known as:
- A. A cluster relationship
 - B. co-optation
 - C. a joint venture
 - D. an interorganisational partnership
 - E. None of these choices.

ANS: D PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Interorganisational partnerships

19. A partnership orientation includes all of the following, except:
- A. Short-term contracts
 - B. Equity and fair dealing
 - C. Long-term contracts
 - D. Close coordination
 - E. Involvement in a partner organisations' product design.

ANS: A PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Interorganisational partnerships

20. Which of the following is not a part of adapting the organisation to changes in the environment for coping with high environmental uncertainty?
- A. Boundary-spanning roles
 - B. Advertising/public relations
 - C. Mergers/joint ventures
 - D. Flexible structures
 - E. All of these choices are a part of organisational response in adapting the organisation to changes in the environment.

ANS: B PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Environmental uncertainty

21. _____ is an effort to identify trends that enable managers to predict future events.
- A. Flexible structure
 - B. Boundary-spanning role
 - C. Mechanistic structure

- D. Forecasting
- E. Joint venture

ANS: D PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Forecasting

22. _____ are assumed by people and/or departments that link and coordinate the organisation with key elements in the external environment.

- A. Flexible structures
- B. Boundary-spanning roles
- C. Mechanistic structures
- D. Forecasting roles
- E. None of these choices.

ANS: B PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Boundary spanning

23. A _____ involves a strategic alliance or program by two or more organisations.

- A. joint venture
- B. flexible structure
- C. cartel
- D. merger
- E. vertical integration

ANS: A PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Joint-venture

24. _____ is similar to advertising, except that its goal is to influence public opinion about the organisation itself.

- A. Public relations
- B. Advertising
- C. Promotion
- D. Lobbying
- E. Political activity

ANS: A PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Public relations

25. If a leading Australian wood-chip producer decides to lobby the relevant state government in order to increase the area of old-growth forest it has access to for clear felling, then this would be an example of:

- A. an illegal action
- B. bribery
- C. a trade deal
- D. political activity
- E. financially motivated bargaining.

ANS: D PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Political activity

26. A _____ is/are made up of organisations with similar interests for the purpose of influencing the environment.

- A. boundary-spanning organisations
- B. political activist group

- C. trade association
- D. mergers and joint ventures

ANS: C PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Trade association

27. Organisational culture can be defined as:
- A. the set of key values, beliefs, understandings and norms shared by members of an organisation
 - B. the ability to speak different languages
 - C. an object, act or event that conveys meaning to others
 - D. a narrative based on true events that is repeated frequently and shared by organisational employees
 - E. none of these choices.

ANS: A PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Internal environment

28. Organisational efforts to influence public opinion about the organisation itself and what it stands for is known as:
- A. advertising
 - B. public relations
 - C. marketing
 - D. boundary spanning
 - E. None of these choices.

ANS: B PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Advertising and public relations

29. An association made up of organisations with similar interests for the purpose of influencing environment are known as:
- A. interorganisational relationships
 - B. public relations
 - C. trade associations
 - D. boundary spanners
 - E. None of these choices.

ANS: C PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Trade associations

30. _____ are associated with the surface-level of organisational culture.
- A. Values
 - B. Norms
 - C. Tables and chairs
 - D. Beliefs
 - E. Three of these choices.

ANS: C PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

31. Which of the following would be considered a visual representation of a company's organisational culture?
- A. All department heads have an executive office.
 - B. Each department has an award plaque for employee of the month.
 - C. All employees are dressed in professional business attire.

- D. Top level executives drive company-owned sports cars.
- E. All of these choices.

ANS: E PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

32. An object, act or event that conveys meaning to others is referred to as a:
- A. symbol
 - B. slogan
 - C. story
 - D. hero
 - E. culture.

ANS: A PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Internal environment

33. The 15 per cent rule at the 3M company, which allows any employee to use a maximum of 15 per cent of his/her work week on anything as long as it is product related, would be considered a:
- A. ceremony
 - B. slogan
 - C. value
 - D. symbol
 - E. banner.

ANS: C PTS: 1 DIF: Difficult NAT: AACSB Analytic
TOP: Internal environment

34. Symbols, stories and heroes are important because they:
- A. entertain executive level management
 - B. address the concerns of government
 - C. acquaint customers to the organisation
 - D. communicate the significant values of an organisation
 - E. give employees something to talk about.

ANS: D PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Internal environment

35. Heroes are important to an organisation due to the fact that they:
- A. exemplify key values of the organisation
 - B. exemplify a strong corporate culture
 - C. serve as examples to other employees
 - D. none of these choices
 - E. A, B and C.

ANS: E PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

36. Which of these is a narrative based on events that is repeated frequently and shared by organisational employees?
- A. Symbol
 - B. Slogan
 - C. Story
 - D. Hero
 - E. Culture

ANS: C PTS: 1 DIF: Easy NAT: AACSB Analytic

TOP: Internal environment

37. A figure who exemplifies the deeds, character and attributes of a corporate culture is referred to as a:
- A. symbol
 - B. story
 - C. slogan
 - D. hero
 - E. culture.

ANS: D PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Internal environment

38. A University graduation is a public celebration of the completion of several years of academic study. Such a public celebration would be considered a:
- A. symbol
 - B. story
 - C. ceremony
 - D. hero
 - E. culture.

ANS: C PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Internal environment

39. When the marketing department of Despair.com emphasises that 'We're not happy until you're not happy' in their advertising, they are:
- A. utilising a symbol
 - B. communicating the company's values to customers
 - C. using a slogan to present their values to customers and employees
 - D. utilising a hero for the purpose of conveying values
 - E. using customers to harass the employees.

ANS: C PTS: 1 DIF: Difficult NAT: AACSB Analytic
TOP: Internal environment

40. The 'adaptability culture' emerges in:
- A. focusing on loyalty, commitment and fitting into the group
 - B. hiring young recruits for long-term employment with steady growth in the structure, but no crossover of divisions
 - C. environments that require fast response and high-risk decision making
 - D. developing reactions to changes in the environment for survival
 - E. All of these choices.

ANS: C PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Environment and culture

41. What do symbolic management and its actions provide?
- A. Nonessential and fluff material about the company
 - B. Information that is relevant only to top level management
 - C. Information that is pertinent and relevant to the company
 - D. A new corporate culture
 - E. A stylised symbolic culture

ANS: D PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Symbolic leadership

42. A(n) _____ includes organisations in all the sectors of the task and journal environments that provide the resources and information transactions, flows and linkages necessary for an organisation to thrive.
- A. industry
 - B. cluster
 - C. network
 - D. organisational ecosystem
 - E. None of these choices.

ANS: D PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Organisational ecosystem

43. Each of the following are considered organisational culture types, except:
- A. adaptability culture
 - B. achievement culture
 - C. consistency culture
 - D. externally focused culture
 - E. All of these are organisational culture types.

ANS: D PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Environment and culture

44. The _____ is suited to organisations concerned with serving specific customers in the external environment but without the intense need for flexibility and rapid change.
- A. adaptability culture
 - B. achievement culture
 - C. consistency culture
 - D. involvement culture

ANS: B PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Environment and culture

45. The _____ emerges in an environment that requires fast response and high-risk decision making.
- A. adaptability culture
 - B. achievement culture
 - C. consistency culture
 - D. involvement culture

ANS: A PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Environment and culture

46. The _____ emphasises an internal focus on the involvement and participation of employees to rapidly adapt to changing needs from the environment.
- A. adaptability culture
 - B. achievement culture
 - C. consistency culture
 - D. involvement culture

ANS: D PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Environment and culture

47. The _____ uses an internal focus and a consistency orientation for a stable environment.
- A. adaptability culture
 - B. achievement culture
 - C. consistency culture
 - D. involvement culture

ANS: C PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Environment and culture

48. What is the main reason that symbolic leadership is successful in organisations?
- A. Because symbolic leadership ties in closely with corporate 'symbols'
 - B. Because symbolic leaders are efficient at working behind the scenes
 - C. Because symbolic leaders are unclear in their methods, and therefore interesting to study
 - D. Because executives are watched by employees
 - E. They are not seen as successful at all

ANS: D PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Symbolic leadership

49. What are the main functions of a cultural leader?
- A. They control all aspects associated with cultural change
 - B. They articulate a vision for organisational culture that employees can believe in
 - C. They heed the day-to-day activities that reinforce the required culture vision
 - D. Two of these choices
 - E. A, B and C

ANS: D PTS: 1 DIF: Difficult NAT: AACSB Analytic
TOP: Symbolic leadership

50. A cooperative made up of organisations with similar interests for the purpose of influencing the environment is known as a:
- A. trade union
 - B. union of trades
 - C. joint venture
 - D. trade association
 - E. lobby group.

ANS: D PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Influencing the environment

COMPLETION

1. The _____ (two words) includes all elements existing outside the boundary of the organisation that have the potential to affect the organisation.

ANS: organisational environment

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: General environment

2. The _____ (two words) is the outer layer that is widely dispersed and affects organisations indirectly.

ANS: general environment

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: General environment

3. A(n) _____ (two words) includes the elements within the organisation's boundaries.

ANS: internal environment

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: General environment

4. The _____ environment includes the sectors that conduct day-to-day transactions within the organisation.

ANS: task

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Task environment

5. The _____ dimension of the general environment represents the demographic characteristics as well as the norms, customs and values of the general population.

ANS: sociocultural

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: General Environment

6. The set of individuals that make themselves available for employment within an industry are known collectively as the _____ (two words).

ANS: labour market

PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

7. The _____ dimension of the external environment consists of events originating in foreign countries, as well as opportunities for local organisations in other countries.

ANS: international

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: General environment

8. The _____ dimension includes scientific and technological advancements in a specific industry as well as in society at large.

ANS: technological

PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

9. The _____ dimension represents the general economic health of the country or region in which the organisation operates.

ANS: economic

PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

10. The _____ dimension includes government regulations at the local, state and federal levels, as well as political activities designed to influence organisation behaviour.

ANS: legal-political

PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: General environment

11. _____ (two words) refers to the role assumed by people and/or departments that link the organisation with elements of its external environment.

ANS: Boundary-spanning

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Adapting to the environment

12. When managers know what goal they wish to achieve, but information about alternatives and future events is incomplete, this is referred to as conditions of _____.

ANS: uncertainty

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Environmental uncertainty

13. A(n) _____ occurs when two or more organisations combine to become one larger organisation in the face of a market threat or opportunity.

ANS: merger

PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Mergers and joint ventures

14. _____ refers to any efforts to identify trends that enable managers to predict future events

ANS: Forecasting

PTS: 1

DIF: Easy

NAT: AACSB Analytic

TOP: Environmental uncertainty

15. A(n) _____ (two words) results when two or more organisations collaborate so that they can compete more effectively in their own markets.

ANS: interorganisational partnership

PTS: 1

DIF: Easy

NAT: AACSB Analytic

TOP: Influencing the environment

16. A(n) _____ (two words) involves a strategic alliance or program by two or more organisations.

ANS: joint venture

PTS: 1

DIF: Moderate

NAT: AACSB Analytic

TOP: Joint venture

17. When an organisation attempts to influence public opinion in order to create a more positive image, it is said to be partaking in _____ exercises.

ANS: public relations

PTS: 1

DIF: Moderate

NAT: AACSB Analytic

TOP: Influencing environment

18. _____ (two words) represent organisation attempts to influence government legislation and regulation in the industries within which it operates.

ANS: Political activity

PTS: 1

DIF: Easy

NAT: AACSB Analytic

TOP: Influencing the environment

19. A(n) _____ (two words) comprises a number of organisations with similar interests for the purposes of influencing their environment .

ANS: trade association

PTS: 1

DIF: Easy

NAT: AACSB Analytic

TOP: Influencing the environment

20. _____ can be defined as the set of key values, beliefs, understandings and norms shared by members of an organisation.

ANS: Culture

PTS: 1

DIF: Moderate

NAT: AACSB Analytic

TOP: Internal environment

21. A(n) _____ is a narrative based on true events that is repeated frequently and shared among organisational employees.

ANS: story

PTS: 1 DIF: Moderate NAT: AACSB Analytic
TOP: Internal environment

22. A(n) _____ is someone that exemplifies the deeds, character and attributes of a strong corporate culture.

ANS: hero

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Internal environment

23. A(n) _____ is a phrase or sentence that expresses a key corporate value.

ANS: slogan

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Internal environment

24. A(n) _____ is a planned activity that makes up a special event and is conducted for the benefit of an audience.

ANS: ceremony

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Internal environment

25. In _____ cultures, managers are concerned about customers and those internal people and processes that bring about useful change.

ANS: adaptive

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Environment and culture

26. The _____ culture is suited to organisations concerned with serving specific customers in the external environment but without the intense need for flexibility and rapid change.

ANS: achievement

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: Environment and culture

27. The _____ culture emphasises an internal focus on the involvement and participation of employees to rapidly adapt to changing needs from the environment.

ANS: involvement

PTS: 1 DIF: Easy NAT: AACSB Analytic

TOP: Environment and culture

28. The _____ culture uses an internal focus and a consistency orientation for a stable environment.

ANS: consistency

PTS: 1 DIF: Easy

NAT: AACSB Analytic

TOP: Environment and culture

29. The _____ leader articulates a vision for the organisational culture that generates excitement and that employees can believe in.

ANS: symbolic

PTS: 1 DIF: Moderate

NAT: AACSB Analytic

TOP: Symbolic leadership

30. The _____ leader makes sure that work procedures and reward systems match and reinforce the values.

ANS: cultural

PTS: 1 DIF: Moderate

NAT: AACSB Analytic

TOP: Cultural leadership

SHORT ANSWER

1. List the five dimensions of the general environment.

ANS:

Technological, sociocultural, economic, legal-political, international.

PTS: 1

DIF: Moderate

NAT: AACSB Analytic

TOP: General environment

2. List five visible artifacts of an organisation's culture.

ANS:

Possible responses would include, but would not be limited to: dress, heroes, office layout, symbols, slogans and ceremonies.

PTS: 1

DIF: Difficult

NAT: AACSB Analytic

TOP: Internal environment

3. List the four dimensions of the task environment. Provide an example for each for the Coca-Cola corporation.

ANS:

Customers (Hungry Jacks), labour market (university students), suppliers (sugar wholesalers), competitors (Schweppes).

PTS: 1

DIF: Moderate

NAT: AACSB Analytic

TOP: Task environment

4. Define the term 'boundary spanning roles'. What are the two primary roles of boundary spanning activities?

ANS:

Boundary spanning roles are those that are assumed by people and/or departments that link and coordinate the organisation with key elements in the external environment. Boundary spanning is concerned with the detection of information. It has two primary roles 1) to detect information and bring it into the organisation. 2) Send information into the environment presenting the company in a favourable light.

PTS: 1

DIF: Difficult

NAT: AACSB Analytic

TOP: Boundary spanning

5. Define the elements that comprise an 'organisational eco-system'.

ANS:

The students answers should include, but not be limited to: a deliberate system, a community of organisations, common goals, information sharing, information transactions, re-source sharing.

6. Identify the ways in which an organisation can influence its external environment?

ANS:

Advertising, public relations, political activity, trade associations.

PTS: 1
TOP: Influencing the environment

DIF: Easy

NAT: AACSB Analytic

7. Identify and define the four types of corporate cultures as they relate to the strategic focus of the organisation, and the needs of the general environment.

ANS:

The adaptability culture emerges in an environment that requires fast response and high-risk decision making. The achievement culture is suited to organisations concerned with serving specific customers in the external environment but without the intense need for flexibility and rapid change. The involvement culture emphasises an internal focus on the involvement and participation of employees to rapidly adapt to changing needs from the environment. The consistency culture uses an internal focus and a consistency orientation for a stable environment.

PTS: 1
TOP: Environment and culture

DIF: Moderate

NAT: AACSB Analytic

ESSAY

1. Briefly describe the task environment and its four primary sectors.

ANS:

The task environment is the portion of the external environment that directly influences the organisation's operations and performance.

The task environment is made up of customers, competitors, suppliers and the labour market. These sectors typically conduct day-to-day transactions with the organisation.

PTS: 1 DIF: Easy NAT: AACSB Analytic
TOP: General environment

2. Based on the model in the text, discuss the relationship between external environmental characteristics and uncertainty.

ANS:

The external environment can be evaluated along two dimensions. First, one can evaluate (high to low) a number of factors in the environment. Second, one can evaluate (high to low) the rate of change of those factors. When both variables are low, low uncertainty characterises the external environment. When both variables are high, the external environment is marked by a high level of uncertainty. A highly uncertain environment requires organisations to adapt and/or attempt to influence the external environment.

PTS: 1 DIF: Difficult NAT: AACSB Analytic
TOP: General environment

3. Define 'environmental uncertainty'. Using examples, what are the two basic strategies for dealing with high environmental uncertainty? How might the role of the boundary spanner assist in these strategies?

ANS:

The two strategies are to adapt the organisation to changes in the environment and to influence the environment to make it more compatible with organisational needs. The student should then be able to link the role of the boundary spanner and their role in uncertain environments.

PTS: 1 DIF: Difficult NAT: AACSB Analytic
TOP: General environment

4. Briefly describe and discuss the various levels of culture.

ANS:

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

PTS: 1 DIF: Difficult NAT: AACSB Analytic
TOP: Internal environment

5. Identify and define the role of the ‘symbolic leader’ within the organisation. How might this role be best used in times of great uncertainty?

ANS:

Students should be graded on their ability to identify the roles of the symbolic leader on pages 120–1. Students should then be able to demonstrate how these roles might be applied to examples of dynamic environmental change.

PTS: 1

DIF: Difficult

NAT: AACSB Analytic

TOP: Symbolic leadership

6. Define what is meant by the term ‘organisational ecosystem’. Use an example from the Internet to illustrate your answer.

ANS:

From the text, the student should be able to define the following: ‘An organisational ecosystem is a system formed by the interaction among a community of organisations in the environment. An ecosystem includes organisations in all the sectors of the task and general environments that provide the resource and information transactions, flows and linkages necessary for an organisation to thrive.’ The text uses Apple as example of an organisational ecosystem – students would be expected to describe a different type of organisational ecosystem from a simple search of the Internet.

PTS: 1

DIF: Difficult

NAT: AACSB Analytic

TOP: Organisational ecosystem

7. Describe the transitional elements for organisations wishing to progress from an adversarial orientation to a partnership orientation. Use examples, real or imagined, to illustrate your answer.

ANS:

Student should be able to identify the seven differences between the adversarial orientation and the partnership orientation identified in Exhibit 3.4 of the text. Students should also be able to provide real or imagined examples of how the change to a partnership orientation would manifest in an organisation’s strategy.

PTS: 1

DIF: Moderate

NAT: AACSB Analytic

TOP: Into organisational partnerships