

Organization, Teamwork, and Communication

True / False Questions

1. Organizational culture is expressed informally through a firm's mission statement or code of ethics.

True False

2. Organizational structures are always explicitly defined.

True False

3. An organization's structure develops as managers assign tasks to work groups and specific individuals and coordinate the diverse activities required to attain organizational objectives.

True False

4. The more complex organizations become, the less they need to develop formal structures to function efficiently.

True False

5. The rationale for specialization is that people can perform several tasks more efficiently than just one.

True False

6. Departments are commonly organized by function, product, geographic region, or customer.

True False

7. An advantage of functional departmentalization is that managers need only the skills that apply to their department's function.

True False

8. Disadvantages of product departmentalization are that it duplicates functions and does not focus on the organization's overall objectives.

True False

9. Delegation of authority also involves empowering employees to make commitments, use resources, and take whatever actions are necessary to carry out assigned tasks.

True False

10. In decentralized organizations, lower-level managers have a good understanding of their external environment and need to react quickly to it.

True False

11. A wide span of management is best when a manager and subordinates are not in close proximity.

True False

12. Flat organizations have narrow spans of management.

True False

13. A company with many layers of managers is considered tall.

True False

14. Multidivisional structure is based on direct lines of authority from the top executive to the lowest level employee.

True False

15. Matrix structures are often complex and expensive, and can lead to confusion regarding who has the ultimate authority.

True False

16. Regardless of how a business is organized, most of the essential work of business occurs in individual work groups and teams.

True False

17. All groups are teams, but not all teams are groups.

True False

18. Teams can create more solutions for solving problems than individuals.

True False

19. Project teams are similar to task forces, but normally they run their operation and have total control of a specific work project.

True False

20. Quality assurance teams are groups of employees brought together to solve specific quality, productivity, or service problems.

True False

21. Horizontal communication involves the traditional flow of information from upper organizational levels downward.

True False

22. Downward communication typically involves directions, the assignment of tasks and responsibilities, performance feedback, and certain details about the organization's strategies and goals.

True False

23. The accuracy of grapevine information has been of great concern to managers.

True False

24. Communication flows within an organization are always formal.

True False

25. When individuals from different units and organizational levels communicate, it is diagonal communication.

True False

Multiple Choice Questions

26. _____ refers to a firm's shared values, beliefs, traditions, philosophies, rules, and role models for behavior.

- A. Organizational chart
- B. Centralization
- C. Organizational culture
- D. Organizational structure
- E. Business record

27. Which of the following is NOT part of organizational culture?

- A. Values
- B. Beliefs
- C. Role models
- D. Traditions
- E. Religion

28. Which of the following is NOT a means of formally expressing an organization's culture?

- A. Ceremonies
- B. Code of ethics
- C. Mission statement
- D. Manuals
- E. Employee dress codes

29. Which of the following is a formal expression of an organization's culture?

- A. Dress codes
- B. Extracurricular activities
- C. Codes of ethics
- D. Grapevine
- E. Work habits

30. Which of the following statements is true about organizational culture?

- A. It is absent in small organizations.
- B. It can only be communicated formally.
- C. It can only be seen in nonprofit organizations.
- D. It is also reflected in an organization's relationships with stakeholders.
- E. It doesn't encompass employee behavior and ways of dealing with problems.

31. Which of the following statements is true about organizational structure?

- A. It is not applicable to informal organizations.
- B. It is the arrangement or relationship of positions within an organization.
- C. It is usually not seen in government and nonprofit organizations.
- D. It does not require a lot of planning in small organizations.
- E. It remains the same even as the company grows in size.

32. Which of the following statements is true about an organizational chart in the context of organizational structure?
- A. It only lists the financial assets of an organization.
 - B. It is essentially designed for the customers of an organization.
 - C. It can only be accessed by the owners of an organization.
 - D. It gives information about an organization's chain of command.
 - E. It cannot represent the evolution or growth of an organization.
33. _____ is the division of labor into small, specific tasks and the assignment of employees to do a single task.
- A. Specialization
 - B. Delegation
 - C. Departmentalization
 - D. Outsourcing
 - E. Centralization
34. Which of the following is a disadvantage of job specialization?
- A. It makes the process of training employees even more complex.
 - B. It causes waste of time as employees keep shifting roles.
 - C. It can lead to dissatisfaction and boredom among employees if overly done.
 - D. It adversely affects the efficiency of employees in a particular job.
 - E. It restricts the organization from outsourcing employees.
35. The benefits of division of labor were described in The Wealth of Nations by:
- A. Henry Ford.
 - B. John Adams.
 - C. Adam Smith.
 - D. Cyrus McCormick.
 - E. Sam Walton.
36. Adam Smith illustrated improvements in efficiency through the application of:
- A. departmentalization.
 - B. specialization.
 - C. generalization.
 - D. decentralization.
 - E. downsizing.

37. _____ is the grouping of jobs into working units usually called units, groups, or divisions.

- A. Downsizing
- B. Specialization
- C. Delegation
- D. Departmentalization
- E. Centralization

38. All of the following are approaches to departmentalization EXCEPT:

- A. function.
- B. product.
- C. geographic region.
- D. customer.
- E. seniority.

39. Small businesses commonly employ:

- A. line departmentalization.
- B. customer departmentalization.
- C. functional departmentalization.
- D. product departmentalization.
- E. geographical departmentalization.

40. A company that has departments for marketing, finance, personnel, and production is organized by:

- A. product.
- B. function.
- C. territory.
- D. customer.
- E. geographic region.

41. If the type of departmentalization used by an organization tends to emphasize departmental units rather than the organization as a whole and decision making is slow, then these would be weaknesses indicative of _____ departmentalization.

- A. geographical
- B. functional
- C. product
- D. customer
- E. process

42. An airlines company having different departments for frequent travelers and occasional travelers illustrates _____ departmentalization.
- A. product
 - B. functional
 - C. geographical
 - D. seniority
 - E. customer
43. Which of the following concepts deals with giving employees the power to make commitments and use resources to accomplish the assigned tasks?
- A. Delegation of authority
 - B. Accountability
 - C. Downsizing
 - D. Departmentalization
 - E. Specialization
44. _____ is the principle that employees who accept an assignment and the authority to carry it out are answerable to a superior for the outcome.
- A. Accountability
 - B. Specialization
 - C. Decentralization
 - D. Delegation of authority
 - E. Centralization
45. Which of the following statements is true about delegation of authority in the context of an organization?
- A. It does not relieve the superior of accountability for the delegated job.
 - B. It does not give the employees the power to make decisions about using resources to accomplish the assigned tasks.
 - C. It does not hold the employee to whom the authority was delegated accountable for the results of the task.
 - D. It often puts additional pressure and burden on managers who are delegating tasks to subordinates.
 - E. It is a concept found only in small businesses and proprietorships.

46. _____ is usually preferred when the decisions of a company are very risky and low-level managers lack decision-making skills.

- A. Decentralization
- B. Delegation of authority
- C. Centralization
- D. Employee empowerment
- E. Specialization

47. When an organization has a structure in which decision-making authority is delegated as far down the chain of command as possible, it is said to be exercising:

- A. centralization.
- B. overcentralization.
- C. downsizing.
- D. overspecialization.
- E. decentralization.

48. Span of management refers to the:

- A. number of subordinates working for a manager.
- B. experience in terms of years of managers in a company.
- C. the duration of time required for an employee to get promoted to the manager's position.
- D. the number of roles that the management of an organization performs.
- E. the number of managers working at the top management.

49. Which of the following statements is true about span of management?

- A. According to experts, top managers should directly supervise more than 10 to 20 people.
- B. A narrow span of management exists when a manager directly supervises only a large number of subordinates.
- C. Narrow spans of management are more common in decentralized firms.
- D. A narrow span of management is appropriate when superiors and subordinates are not in close proximity.
- E. In narrow spans of management, the level of interaction between superiors and subordinates is low, few problems arise, subordinates are highly competent.

50. Organizational layers, in the context of assigning responsibility in an organization, refer to:

- A. the levels of management in an organization.
- B. the levels of stakeholders present outside of an organization.
- C. the levels of roles that an employee has to go through to acquire a position at the top management.
- D. the several roles in which the employees have job specializations in an organization.
- E. the levels of communication through which an employee has to go through in order to approach different departments.

51. Which of the following statements is true about organizational layers?

- A. Administrative costs are lower in tall organizations when compared to flat organizations.
- B. In a tall organization, the span of management is narrow.
- C. Communication is faster in tall organizations when compared to flat organizations.
- D. Flat organizations employ more number of managers compared to tall organizations.
- E. Managers in tall organizations spend more time supervising and working with subordinates when compared to managers in flat organizations.

52. An organizational form that is based on direct lines of authority from the top executive to the lowest level of employees is called:

- A. line structure.
- B. flat structure.
- C. line-and-staff structure.
- D. matrix structure.
- E. multidivisional structure.

53. An advantage of line structure in organizations is that it:

- A. has a clear chain of command.
- B. gives all the employees the power to veto a decision; irrespective of hierarchy.
- C. allows managers facing a decision to consult any and as many superiors as they wish.
- D. doesn't require managers to possess a wide range of knowledge and skills.
- E. works best in large organizations with many different departments.

54. A disadvantage of line structure is that it:
- A. results in excessive delegation of authority to employees.
 - B. makes decision making more complicated for managers.
 - C. provides no direct lines of authority.
 - D. creates work duplication and confusion.
 - E. requires managers to possess a wide range of knowledge and skills.
55. Which of the following statements is true about the line-and-staff structure?
- A. It allows line managers to focus on their expertise in the business operation.
 - B. It creates intersecting lines of authority.
 - C. It eliminates overstaffing.
 - D. It provides clear and unambiguous lines of communication.
 - E. It gives staff managers authority over line managers.
56. Multidivisional structures:
- A. are less likely to provide products that meet the needs of customers.
 - B. organize departments into larger units, often based on geography, product, and/or customer.
 - C. bring together specialists from a variety of areas to work on a single project.
 - D. make decision making slower.
 - E. are traditional and less innovative but make quicker decisions.
57. Which of the following is NOT a basis for organizing using a multidivisional structure?
- A. Geography
 - B. Projects
 - C. Product
 - D. Customer
 - E. Function
58. Which of the following organizational forms is also called a project management structure?
- A. Bureaucratic structure
 - B. Line structure
 - C. Matrix structure
 - D. Multidivisional structure
 - E. Line-and-staff structure

59. A _____ structure sets up teams from different departments, thereby creating two or more intersecting lines of authority.

- A. line
- B. multidivisional
- C. matrix
- D. line-and-staff
- E. traditional

60. Work groups:

- A. have shared leadership roles.
- B. have a specific purpose that is different from the broader organizational mission.
- C. create collective work products.
- D. have individual accountability.
- E. measure performance directly by assessing collective work.

61. Teams:

- A. have a strong, clearly focused leader.
- B. have individual accountability.
- C. share leadership and create collective work products.
- D. don't perform real work.
- E. measure effectiveness indirectly.

62. A permanent, formal group that performs a specific task is a:

- A. task force.
- B. committee.
- C. project team.
- D. product-development team.
- E. self-directed work team.

63. Which of the following is a temporary group of employees, usually chosen for their expertise, responsible for bringing out a specific change?

- A. Self-directed work team
- B. Committee
- C. Work group
- D. Quality-assurance team
- E. Task force

64. Which of the following statements is true about task forces?
- A. They are usually permanent.
 - B. They comprise members from a single functional department.
 - C. Their membership is usually based on organizational position rather than expertise.
 - D. They are responsible for routine quality checks.
 - E. They may occasionally comprise of individuals from outside the organization.
65. Project teams:
- A. are permanent, formal groups.
 - B. are composed of individuals from one functional area.
 - C. never last for more than six months.
 - D. run their operation and have control of a specific work project.
 - E. only solve specific quality problems.
66. A special type of project team formed to devise, design, and implement a new commodity is a:
- A. product-development team.
 - B. committee.
 - C. task force.
 - D. work group.
 - E. quality-assurance team.
67. Which of the following teams is formed to address specific standard, service, or productivity problems?
- A. Self-directed work team
 - B. Product-development team
 - C. Work group
 - D. Quality-assurance team
 - E. Task force
68. A _____ is a group of employees responsible for an entire work process or segment that delivers a product to an internal or external customer.
- A. task force
 - B. product-development team
 - C. project team
 - D. committee
 - E. self-directed work team

69. What is upward communication?

- A. Communication about organizational goals to employees
- B. Communication between different units and departments within an organization
- C. Communication that flows from lower organizational levels to higher ones
- D. Communication between peers and colleagues
- E. Communication between customers and employees

70. Upward communication conveys:

- A. orders.
- B. explanation of decisions.
- C. mission statement.
- D. progress reports and complaints.
- E. information about procedures and methods.

71. Downward communication typically conveys:

- A. organizational rumors.
- B. performance feedback.
- C. complaints.
- D. improvement suggestions.
- E. grievances.

72. Which of the following is NOT typically part of downward communication?

- A. Performance feedback
- B. Assignment of tasks
- C. Details on organizational strategy
- D. Gossip
- E. Directions

73. Diagonal communication:

- A. is the traditional flow of communication from higher to lower levels of the organization.
- B. occurs when individuals from different units and departments within an organization communicate.
- C. flows from lower organizational levels to higher ones.
- D. occurs with communication between peers and colleagues within a department.
- E. is an informal method of communication in organizations that can improve decision making.

74. To ensure that its products best suits the needs of its customers, the market research, manufacturing, and marketing departments of Venus Electronics communicate frequently with each other. This illustrates _____ communication.

- A. upward
- B. downward
- C. horizontal
- D. grapevine
- E. diagonal

75. Which of the following is an informal communication channel?

- A. Leaflets
- B. Telecommunications
- C. Job descriptions
- D. Grievances
- E. The grapevine

76. Which of the following statements is true about grapevine?

- A. It seldom carries incorrect information.
- B. It is absent in large organizations.
- C. It carries formal and official information.
- D. It sometimes carries information that could help in decision making.
- E. It does not carry information that is irrelevant to work.

Essay Questions

77. What is organizational culture and how is it expressed?

78. What is organizational structure? How does it develop?

79. What are some of the advantages of specialization? What are some of its disadvantages?

80. What are the different means of organizational departmentalization? Give one example for each.

81. Define the terms delegation of authority, responsibility, and accountability.

82. Explain the characteristics of centralized and decentralized organizations.

83. What is a span of management? What are the differences between organizations with wide versus narrow spans of management?

84. Define the line structure in the context of organizational forms. What are its advantages and disadvantages?

85. What is the difference between line structure and line-and-staff structure?

86. What is multidivisional structure? What are its advantages and disadvantages?

87. What are the benefits and drawbacks of using a matrix structure to organize?

88. Differentiate between work groups and teams.

89. Differentiate between committees and task forces.

90. What are project and product-development teams?

91. What are quality-assurance teams?

92. What is a self-directed work team?

93. What is downward communication?

94. Describe upward communication and diagonal communication.

95. How can managers use the "grapevine" to their advantage?

96. How can managers monitor and make communication more effective?

