

Course Pre-Assessment CH 02
Williams Effective Management 6e

TRUE/FALSE

1. External environments are the forces and events outside a company that have the potential to influence or affect it.

ANS: T PTS: 1 DIF: Easy REF: 2-1
TOP: AACSB Analytic KEY: Environmental Influence

2. The two kinds of external organizational environments are the general environment that affects all organizations and the specific environment that is unique to each company.

ANS: T PTS: 1 DIF: Easy REF: 2-2
TOP: AACSB Reflective Thinking KEY: Environmental Influence

MULTIPLE CHOICE

1. In terms of environmental complexity, ____ environments have few environmental factors, whereas ____ environments have many environmental factors.
- non-competitive; competitive
 - simple; complex
 - stable; dynamic
 - scarce; abundant
 - market-oriented; product-oriented

ANS: B
Definitions of simple and complex environments.

PTS: 1 DIF: Easy REF: 2-1b TOP: AACSB Analytic
KEY: Environmental Influence

2. Which of the following is a component of a book publisher's general environment and will indirectly influence how it does business?
- other book publishing companies
 - pornography laws
 - an advocacy group supporting free books for children
 - a trend toward less leisure time
 - paper and ink suppliers

ANS: D
Leisure time trends will affect other companies, such as boat manufacturers. The other elements are part of the publisher's specific environment.

PTS: 1 DIF: Moderate REF: 2-2 TOP: AACSB Analytic
KEY: Environmental Influence| Strategy

3. ____ is used to refer to a company's practice of identifying and addressing customer trends and problems after they occur.
- Consumer confidence forecasts
 - Competitive analysis

- c. Reactive customer monitoring
- d. Proactive customer monitoring
- e. Continuous data mining

ANS: C PTS: 1 DIF: Easy REF: 2-3a
 TOP: AACSB Analytic KEY: Environmental Influence| Strategy

4. ____ involves deciding who your competitors are, anticipating competitors' moves, and determining competitors' strengths and weaknesses.
- a. Competitive mapping
 - b. A market audit
 - c. A SWOT analysis
 - d. A proactive strategy
 - e. A competitive analysis

ANS: E PTS: 1 DIF: Easy REF: 2-3b
 TOP: AACSB Analytic KEY: Environmental Influence| Strategy

5. Typically the most important factor in the relationship between companies and their suppliers is:
- a. how dependent they are on each other
 - b. how much they know about each other
 - c. how compatible their organizational cultures are
 - d. the type of product being manufactured
 - e. all of these

ANS: A
 A high degree of buyer or seller dependence can lead to opportunistic behavior by one party at the expense of the other.

PTS: 1 DIF: Easy REF: 2-3c TOP: AACSB Analytic
 KEY: Environmental Influence| Strategy

6. The first step managers use to make sense of their changing environments is:
- a. environmental scanning
 - b. perceptual re-engagement
 - c. modifying budgets
 - d. downsizing
 - e. benchmarking

ANS: A
 Environmental scanning precedes action steps such as downsizing, modifying budgets, or benchmarking. Perceptual re-engagement is a red herring.

PTS: 1 DIF: Easy REF: 2-4 TOP: AACSB Analytic
 KEY: Strategy| Environmental Influence| Leadership Principles

7. ____ is a primary source of organizational culture.
- a. The company's founder
 - b. The organization's competitive strategy
 - c. The industry in which the organization operates
 - d. Suppliers
 - e. Customers

ANS: A

Company founders--such as Sam Walton of Wal-Mart--exert a primary influence on the development of an organization's culture.

PTS: 1 DIF: Moderate REF: 2-5a TOP: AACSB Analytic
KEY: Environmental Influence| HRM

8. Which of the following is a characteristic of successful organizational cultures?
- a. adaptability
 - b. consistency
 - c. involvement
 - d. a clear mission
 - e. all of these

ANS: E PTS: 1 DIF: Easy REF: 2-5b
TOP: AACSB Analytic KEY: Environmental Influence| HRM

9. Which of the following would be an example of a visible artifact for an organization that is being merged with a large international firm?
- a. personal parking spaces for all salespeople
 - b. a private company dining room
 - c. traditional offices
 - d. end-of-year bonuses
 - e. all of these

ANS: E
Visible artifacts are signs of an organization's culture.

PTS: 1 DIF: Easy REF: 2-5c TOP: AACSB Analytic
KEY: Group Dynamics| HRM

10. Which of the following statements about corporate cultures is true?
- a. Corporate cultures are dynamic creations that respond positively to change.
 - b. Corporate culture are unaffected by changes in perks, office layouts, or work relationships.
 - c. Corporate cultures are very difficult to change.
 - d. Any manager who wants to modify a corporate culture must follow the cultural change plan, which begins with employee input and ends with behavioral addition and/or substitution.
 - e. Corporate culture change is significantly easier with behavioral addition than with behavioral subtraction.

ANS: C
Corporate cultures are dynamic, composed of both visible artifacts and behavioral routines, and complex beyond simple "rules of thumb" interventions. They are notoriously difficult to change.

PTS: 1 DIF: Difficult REF: 2-5c TOP: AACSB Analytic
KEY: Group Dynamics| HRM| Leadership Principles