

Chapter 01

Managing Effective Organizations

True / False Questions

1. To be formally defined as an "organization" the entity must consist of at least two people and be profit oriented.

True False

2. The formal study of organizational behavior is believed to have begun between 1903 and 1917.

True False

3. The effectiveness of any organization is influenced greatly by human behavior.

True False

4. Anthropology has contributed to the study and application of OB.

True False

5. "Structure" is the formal pattern of how jobs but not people are grouped.

True False

6. "Culture" is the pattern of basic assumptions used by individuals and groups to deal with the organization and its environment.

True False

7. The "organizational environment" includes the market and technology but generally excludes governmental activities due to the "commerce clause."

True False

8. Group performance is the foundation of organizational performance.

True False

9. Groups form within organizations exclusively to address formal organizational needs.

True False

10. The essence of power is control over others.

True False

11. Managers derive power from both organizational and individual sources.

True False

12. Leadership and quality concepts have been found to be inseparable.

True False

13. Job design refers to the process by which managers specify the contents, methods, and relationships of jobs to satisfy both organizational and individual requirements.

True False

14. Job design looks at contents, methods and relationships of jobs to the exclusive end of meeting organizational requirements.

True False

15. Organizational effectiveness is a result of both individual and group effectiveness.

True False

16. The text provides stress as a cause of both individual and group effectiveness.

True False

17. The Classical School proposed that management work consists of distinct but unrelated functions which together constitute the management process.

True False

18. Planning involves establishing where the organization is going but not how it is going to get there.

True False

19. Mintzberg is known for identifying the four functions of management.

True False

20. The controlling function looks only at the organizational level of effectiveness.

True False

21. The goal approach makes evaluation of success easier in those organizations that do not produce tangible products.

True False

22. Goal achievement isn't readily measurable for organizations that don't produce tangible products.

True False

23. Systems theorist propose that systems can be categorized in three ways: conceptual, interpersonal and concrete.

True False

24. The systems approach provides the structure to effectively evaluate organizational impact on "stakeholders."

True False

25. The firm has two major categories of inputs: manufacturing and customer.

True False

Multiple Choice Questions

26. An organization is _____.

- A. a coordinated unit
- B. a unit of at least two people
- C. a unit that functions to achieve a common goal or set of goals
- D. all of the above

27. Psychology contributes to the study of OB _____.

- A. at the individual level of analysis
- B. by providing insight into cross-cultural communication
- C. by providing insight into intergroup analysis
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28. This term has been defined as the blueprint that indicates how people and jobs are grouped together in an organization.

- A. Configuration
- B. Structure
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29. Which of the following fields have been identified as contributing to the knowledge and application of OB?

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31. The three levels of focus or analysis of OB are: _____, _____, and _____.

- A. individual, group, and organization
- B. first level, middle and upper management
- C. structural, prostructural and anitstructural
- D. cognitive, affective and emotional

32. In straightforward terms, the organization's _____ is its personality, atmosphere, or "feel."

- A. atmosphere
- B. ambiance
- C. culture
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33. The pattern of basic assumptions used by individuals and groups to deal with the organization and its environment is called _____.

- A. structure
- B. culture
- C. holistics
- D. synergistic

34. _____ interact to determine individual performance.
- A. Motivation and ability
 - B. Structure and leadership
 - C. Pay and individual needs
 - D. None of the above
35. Managers derive power from _____ sources.
- A. organizational
 - B. individual
 - C. certified
 - D. both A and B
36. The three perspectives on effectiveness are: _____.
- A. win, lose, draw
 - B. individual, group and organizational
 - C. individual, group and financial
 - D. financial, strategic and social
37. Organizational effectiveness is a(n) _____.
- A. result solely of individual effectiveness
 - B. increasingly important topic
 - C. product of both individual and group effectiveness
 - D. not a primary concern of the study of OB
38. Synergy _____.
- A. refers to instances where the impact of individual contribution exceeds the simple summation of work of the individuals separately
 - B. refers to instances where the individuals work together in teams
 - C. is developed within the systems function of management
 - D. falls within Mintzberg's decisional role of management

39. Environment, technology and structure have been identified as direct causes of _____.

- A. individual effectiveness
- B. group effectiveness
- C. organizational effectiveness
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40. Cohesiveness, leadership, structure, status and norms have been identified as being related to _____.

- A. overall effectiveness
- B. individual effectiveness
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41. Chris is establishing the resource allocations for the organization. Which of Mintzberg's three roles is Chris performing?

- A. Interpersonal
- B. Decision
- C. Executive
- D. Strategic

42. Pat is sharing performance information with the organization. Which of Mintzberg's roles is Pat performing?

- A. Information
- B. Leading
- C. Controlling
- D. Executive

43. Mintzberg identified _____.

- A. three roles of management
- B. four functions of management
- C. the psychoanalytical aspects of OB
- D. the classical perspective of OB

44. In the reality of organizational life there are _____ cause-and-effect relationships.

- A. always clear
- B. always ambiguous
- C. few unambiguous
- D. typically clear

45. According to the classical school of management, the four management functions are _____.

- A. establishing a strategic plan, developing an organizational structure, directing employees, and establishing reward systems
- B. individual, group, organizational and societal development
- C. analysis, setting of standards, development of reward systems, providing organizational feedback
- D. planning, organizing, leading and controlling

46. The "four functions" of management _____.

- A. are generally performed by all levels of management
- B. each typically require equal attention regardless of management level
- C. are interpersonal, decisional, informational and coordination
- D. are looked upon as "classic" and no longer relevant

47. Pat has just set and defined the means to achieve an end. This an example of _____.

- A. strategic planning
- B. the planning function
- C. establishing reward systems
- D. effective leadership

48. Pat has created a structure to support a plan. Which management function has pat just completed?

- A. Structuring
- B. Extended planning
- C. Organizing
- D. Controlling

49. The fields of management and organizational behavior are _____.
A. ones of precise language and definitions comparable to those found in physics
B. not exact sciences
C. exact sciences
D. enriched by their history of over 200 years of formal study
50. While not strictly an ordered sequence, which management function must typically occur before the organizing function?
A. Planning
B. Goal setting
C. Controlling
D. Forecasting
51. The leading function involves which of the following?
A. Close day-to-day contact with individuals and groups
B. Occasional personal interaction with followers
C. The application of precise techniques
D. The growing understanding of how physiology applies to human behavior
52. Your professors may have stated that it's the management's responsibility to devise integrating methods and processes. What function of management were they referring to?
A. Planning
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53. Chris interacts daily with the members of the group she supervises. What function of management is Chris fulfilling?
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54. Carol is determining the appropriate structure of her organization. What function of management is she fulfilling?

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55. Approaches to effectiveness include _____.

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56. Pat has identified a list of performance shortfalls. What function of management is Pat fulfilling?

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57. Sam has reviewed the quarterly performance reports and compared results to planned outcomes. What function of management is Pat fulfilling?

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- B. Organization
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58. The _____ approach is the oldest and most widely used evaluation approach.

- A. systems theory
- B. goal
- C. stakeholder
- D. objective

59. Which of the following have been recognized as difficulties with the goal approach to effectiveness?

- A. Goal achievement is difficult to measure in organizations that do not produce a tangible product.
- B. The achievement of one goal may diminish the results of a second goal.
- C. The existence of a common set of "official" goals to which all members are committed is questionable.
- D. All of the above.

60. Pat considers the financial viability of the firm as the ultimate measure of effectiveness. Which of the following best describes Pat's approach to effectiveness?

- A. Systems
- B. Consultation
- C. Constituency
- D. Goal

61. A(n) _____ is a grouping of elements that individually establish relationships with each other and that interact with each other and that interact with their environment both as individuals and as a collective.

- A. system
- B. society
- C. transnational
- D. structure

62. The "basic elements" of a system include which of the following?

- A. People, materials and private ownership
- B. Inputs and outputs
- C. Inputs, process and outputs
- D. Resource identification, utilization and conversion

63. Recognition that every organization is part of an industry, a society, and a global economy is stressed by _____.

- A. systems theory
- B. global theory
- C. constituency theory
- D. incremental theory

64. The _____ approach, in concrete terms, means achieving balance among the various parts of the system by satisfying the interests of the organization's constituency.

- A. systems
- B. stakeholder
- C. constituency
- D. goal

65. The systems theory approach to effectiveness _____.

- A. proposes that a firm survives as long as its output is purchased in the market in quantities and at prices that enable it to replenish its depleted stock of inputs
- B. is most appropriate for manufacturing operations
- C. considers the complex interaction of the needs and wants
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66. The systems theory approach to effectiveness _____.

- A. emphasizes that the ultimate survival of an organization depends on its ability to understand employee requirements
- B. emphasizes that in meeting the changing demands of the environment, the total cycle of input-process-output must be the focus of managerial attention
- C. both A and B
- D. None of the above

67. The two major categories of inputs are _____ and _____.

- A. human and natural resources
- B. capital and equipment
- C. human and capital
- D. capital and natural

68. In simplest terms, _____ refers to information that reflects the outcomes or an act of a series of acts by an individual, group, or organization.

- A. evaluative
- B. reflective
- C. feedback
- D. control signals

69. In determining effectiveness Pat has considered the organization's impact on shareholders, employees, customers and the community. What approach to effectiveness has Pat applied?

- A. Classification
- B. Stakeholder
- C. Universal
- D. Interest

70. The _____ emphasizes that organizations are chartered to accomplish goals.

- A. systems
- B. outcomes
- C. goal
- D. achievement

71. Within the stakeholder approach, judgments of effectiveness always involve _____.

- A. quantitative analysis
- B. the application of expert opinions
- C. value judgments
- D. all of the above

72. This theory has been used to combine goal and systems approaches to obtain a more appropriate approach to organizational effectiveness.

- A. Means and ends
- B. Multiple-constituency
- C. Multiple-perspective
- D. Multiple-measure

73. As changes occur in workforce technology, the economy, competition, social trends and world politics it is inevitable the leaders will turn to _____.

- A. organizational development interventions
- B. organizational advancement interventions
- C. organizational encroachment interventions
- D. political behaviors

74. Standards of performance are associated with the _____ management function.

- A. interpersonal
- B. leading
- C. organizing
- D. controlling

75. "Influence" is associated with the _____ function of management.

- A. interpersonal
- B. leading
- C. organizing
- D. controlling

Essay Questions

76. Discuss the origins of the field of organizational behavior and why an understanding of the field is important to today's manager.

77. Explain the contingency approach to managing individuals' behavior within an organizational setting.

78. Identify why managing workplace behavior in the United States is likely to be different from managing workplace behavior in another country, such as Germany.

79. Multiple fields have contributed to study and application of OB. Identify these fields and their contributions.

80. Organizational behavior is not as stable or as predictable as physics. What is this statement saying about the field of OB?

81. Describe the types of environmental forces that make it necessary for organizations to initiate changes.

82. The text provides several facets of individual behavior managers must understand to influence individual performance. What are these areas and their relevance to individual performance?

83. The book presents two behavioral processes that contribute to effective organizational processes. What are these processes, how are they related to effective organizational process and provide examples of each?

84. Three perspectives on organizational effectiveness are presented in the text. Describe each of these perspectives and how they interrelate.

85. Describe each of the four functions of management. Which of these functions do you believe is the most important and why?

86. Mintzberg has been credited with the identification of three roles of management. What are these roles and provide examples of each.

87. Management typically performs four functions. Identify and define these functions. Provide an example of each within the context of your school.

88. Describe the three perspectives on determining effectiveness. What perspective is best suited for your university? Justify your response.

89. The goal approach to effectiveness suffers from several difficulties. Detail and provide examples for these difficulties.

90. Compare the goal, systems, and multiple-constituency approaches to effectiveness.

Chapter 01 Managing Effective Organizations **Answer Key**

True / False Questions

1. (p. 4) To be formally defined as an "organization" the entity must consist of at least two people and be profit oriented.

FALSE

Difficulty: Medium

2. (p. 5) The formal study of organizational behavior is believed to have begun between 1903 and 1917.

FALSE

Difficulty: Easy

3. (p. 6) The effectiveness of any organization is influenced greatly by human behavior.

TRUE

Difficulty: Easy

4. (p. 7) Anthropology has contributed to the study and application of OB.

TRUE

Difficulty: Medium

5. (p. 8) "Structure" is the formal pattern of how jobs but not people are grouped.

FALSE

Difficulty: Easy

6. (p. 8) "Culture" is the pattern of basic assumptions used by individuals and groups to deal with the organization and its environment.

TRUE

Difficulty: Easy

7. (p. 9) The "organizational environment" includes the market and technology but generally excludes governmental activities due to the "commerce clause."

FALSE

Difficulty: Medium

8. (p. 10) Group performance is the foundation of organizational performance.

FALSE

Difficulty: Medium

9. (p. 11) Groups form within organizations exclusively to address formal organizational needs.

FALSE

Difficulty: Easy

10. (p. 11) The essence of power is control over others.

TRUE

Difficulty: Easy

11. (p. 11) Managers derive power from both organizational and individual sources.

TRUE

Difficulty: Medium

12. (p. 11) Leadership and quality concepts have been found to be inseparable.

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13. (p. 13) Job design refers to the process by which managers specify the contents, methods, and relationships of jobs to satisfy both organizational and individual requirements.

TRUE

Difficulty: Easy

14. (p. 13) Job design looks at contents, methods and relationships of jobs to the exclusive end of meeting organizational requirements.

FALSE

Difficulty: Hard

15. (p. 15) Organizational effectiveness is a result of both individual and group effectiveness.

TRUE

Difficulty: Easy

16. (p. 16) The text provides stress as a cause of both individual and group effectiveness.

FALSE

Difficulty: Medium

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FALSE

Difficulty: Hard

18. (p. 17) Planning involves establishing where the organization is going but not how it is going to get there.

FALSE

Difficulty: Medium

19. (p. 16) Mintzberg is known for identifying the four functions of management.

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FALSE

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21. (p. 20) The goal approach makes evaluation of success easier in those organizations that do not produce tangible products.

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Difficulty: Easy

22. (p. 20) Goal achievement isn't readily measurable for organizations that don't produce tangible products.

TRUE

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23. (p. 21) Systems theorist propose that systems can be categorized in three ways: conceptual, interpersonal and concrete.

FALSE

Difficulty: Medium

24. (p. 21) The systems approach provides the structure to effectively evaluate organizational impact on "stakeholders."

FALSE

Difficulty: Easy

25. (p. 22) The firm has two major categories of inputs: manufacturing and customer.

FALSE

Difficulty: Medium

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Multiple Choice Questions

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28. (p. 8) This term has been defined as the blueprint that indicates how people and jobs are grouped together in an organization.
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31. (p. 7) The three levels of focus or analysis of OB are: _____, _____, and _____.

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32. (p. 8) In straightforward terms, the organization's _____ is its personality, atmosphere, or "feel."

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36. (p. 15) The three perspectives on effectiveness are: _____.

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- B.** individual, group and organizational
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Difficulty: Easy

44. (p. 16) In the reality of organizational life there are _____ cause-and-effect relationships.

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- B. always ambiguous
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45. (p. 17) According to the classical school of management, the four management functions are _____.

- A. establishing a strategic plan, developing an organizational structure, directing employees, and establishing reward systems
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Difficulty: Medium

51. (p. 18) The leading function involves which of the following?

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55. (p. 19) Approaches to effectiveness include _____.

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58. (p. 20) The _____ approach is the oldest and most widely used evaluation approach.

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B. goal

C. stakeholder

D. objective

Difficulty: Medium

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A. Goal achievement is difficult to measure in organizations that do not produce a tangible product.

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- B. society
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Difficulty: Easy

62. (p. 21) The "basic elements" of a system include which of the following?

- A. People, materials and private ownership
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Difficulty: Medium

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- B. reflective
- C. feedback
- D. control signals

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69. (p. 23) In determining effectiveness Pat has considered the organization's impact on shareholders, employees, customers and the community. What approach to effectiveness has Pat applied?

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74. (p. 25) Standards of performance are associated with the _____ management function.

- A. interpersonal
- B. leading
- C. organizing
- D. controlling

Difficulty: Easy

75. (p. 25) "Influence" is associated with the _____ function of management.

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- B. leading
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- D. controlling

Difficulty: Easy

Essay Questions

76. (p. 5) Discuss the origins of the field of organizational behavior and why an understanding of the field is important to today's manager.

The formal study of organizational behavior began between 1948 and 1952. This still-emerging field attempts to help managers understand people better so that productivity improvements, customer satisfaction, and a better competitive position can be achieved through better management practices.

The behavioral sciences—especially psychology, sociology, political science, and cultural anthropology—have provided the basic framework and principles for the field of organizational behavior. Each behavioral science discipline provides a slightly different focus, analytical framework, and theme for helping managers answer questions about themselves, nonmanagers, and environmental forces (e.g., competition, legal requirements, and social/political changes).

The multidisciplinary definition of organizational behavior illustrates a number of points. First, OB indicates that behaviors of people operate at individual, group, and organizational levels. This approach suggests that when studying OB we must identify clearly the level of analysis—individual, group, and/or organizational—being used. Second, OB is multidisciplinary; it uses principles, models, theories, and methods from other disciplines. The study of OB isn't a discipline or a generally accepted science with an established theoretical foundation. It's a field that only now is beginning to grow and develop in stature and impact. Third, there's a distinctly humanistic orientation within organizational behavior. People and their attitudes, perceptions, learning capacities, feelings, and goals are important to the organization. Fourth, the field of OB is performance oriented. Why is performance low or high? How can performance be improved? Can training enhance on-the-job performance? These are important issues facing managers. Fifth, the external environment is seen as having significant effect on organizational behavior. Sixth, because the field of OB relies heavily on recognized disciplines, the scientific method is important in studying variables and relationships. As the scientific method has been applied to research on organizational behavior, a set of principles and guidelines on what constitutes good research has emerged. Finally, the field has a distinctive applications orientation; it concerns providing useful answers to questions that arise in the context of managing operations.

Difficulty: Hard

77. (p. 6) Explain the contingency approach to managing individuals' behavior within an organizational setting.

The basic idea of the contingency approach is that there's not one best way to manage; a method that's very effective in one situation may not work at all in others. The contingency approach has grown in popularity because research has shown that given certain characteristics of a job and certain characteristics of the people doing the job, some management practices work better than others.

Difficulty: Medium

78. (p. 7) Identify why managing workplace behavior in the United States is likely to be different from managing workplace behavior in another country, such as Germany.

Answers will vary but should include reference to the contingency approach and may mention items such as culture, differing expectations and needs.

Difficulty: Hard

79. (p. 7) Multiple fields have contributed to study and application of OB. Identify these fields and their contributions.

Answers will vary but should reflect the contents of figure 1.1 and include: psychology, sociology, social psychology, political science and anthropology.

Difficulty: Hard

80. (p. 8) Organizational behavior is not as stable or as predictable as physics. What is this statement saying about the field of OB?

Answers will vary but should reflect the following. There is no set of universal prescriptions that can predict every behavior, team outcome, or organizational phenomenon. People are typically unique and unpredictable in some aspects of their behavior. In physics there are laws, formulas, and mathematical procedures that apply to a wide range of situations. The speed of a vehicle traveling down a hill can be calculated, and the answer applies to similar hills, cars, and conditions.

Difficulty: Medium

81. (p. 9) Describe the types of environmental forces that make it necessary for organizations to initiate changes.

Answers will vary but may include changes in workforce technology, the economy, competition, social trends, and world politics.

Difficulty: Hard

82. (p. 10) The text provides several facets of individual behavior managers must understand to influence individual performance. What are these areas and their relevance to individual performance?

Answers will vary but should include the following concepts.

Individual performance is the foundation of organizational performance. Understanding individual behavior is therefore critical for effective management. Managers typically must deal with several facets of individual behavior.

Individual Characteristics

Because organizational performance depends on individual performance, managers must have more than a passing knowledge of the determinants of individual performance. Psychology and social psychology contribute relevant knowledge about the relationships among attitudes, perceptions, personality, values, and individual performance. Managers can't ignore the necessity for acquiring and acting on knowledge of the individual characteristics of both their subordinates and themselves.

Individual Motivation

Motivation and ability to work interact to determine performance. Motivation theory attempts to explain and predict how individuals' behavior is aroused, sustained, and stopped. Not all managers and behavioral scientists agree on what is the best theory of motivation. In fact, the complexity of motivation may make an all-encompassing theory of how it occurs impossible. But managers must still try to understand it. They must be concerned with motivation because they must be concerned with performance.

Rewards and Appraisal

One of the most powerful influences on individual performance is an organization's reward system. Management can use rewards to increase current employees' performance. It can also use rewards to attract skilled employees to the organization.

Difficulty: Hard

83. (p. 14) The book presents two behavioral processes that contribute to effective organizational processes. What are these processes, how are they related to effective organizational process and provide examples of each?

The text discusses two behavioral processes that contribute to effective organizational performance: communication and decision making.

Communication

Organizational survival is related to management's ability to receive, transmit, and act on information. The communication process links the organization to its environment as well as to its parts. Information flows to and from the organization and within the organization. Information integrates the activities within the organization.

Decision Making

The quality of decision making in an organization depends on selecting proper goals and identifying means for achieving them. With good integration of behavior and structural factors, management can increase the probability that high-quality decisions are made. Organizations rely on individual decisions as well as group decisions. Effective management requires knowledge about both types of decisions.

Difficulty: Hard

84. (p. 15) Three perspectives on organizational effectiveness are presented in the text. Describe each of these perspectives and how they interrelate.

Answers will vary but should include the following concepts. Managers routinely assess individual effectiveness through performance evaluation processes to determine who should receive salary increases, promotions, and other rewards available in the organization. Individuals seldom work alone, in isolation from others in the organization. Usually employees work in groups, necessitating yet another perspective on effectiveness: group effectiveness. In some instances, group effectiveness is simply the sum of the contributions of all its members.

The third perspective is organizational effectiveness. Organizations consist of individuals and groups; therefore, organizational effectiveness consists of individual and group effectiveness. But organizational effectiveness is more than the sum of individual and group effectiveness. Through synergistic effects, organizations obtain higher levels of effectiveness than the sum of their parts. In fact, the rationale for organizations as a means for doing society's work is that they can do more work than is possible through individual effort.

Figure 1.2 reveals the relationships among three perspectives on effectiveness. The connecting arrows imply that group effectiveness depends on individual effectiveness, while organizational effectiveness depends on individual and group effectiveness. The exact relationships among the three perspectives vary depending on such factors as the type of organization, the work it does, and the technology used in doing that work. Figure 1.3 recognizes the three perspectives' synergistic effects. Thus, group effectiveness is larger than the sum of individuals' effectiveness because of the synergies realized through joint efforts organizational, group, and individual effectiveness.

Difficulty: Medium

85. (p. 15-16) Describe each of the four functions of management. Which of these functions do you believe is the most important and why?

Answers will vary however should include an overview of planning, organizing, leading and controlling. Students may note that different levels of management typically divide their time between these functions differentially.

Difficulty: Medium

86. (p. 16) Mintzberg has been credited with the identification of three roles of management. What are these roles and provide examples of each.

Answers will vary but should include the following.

Henry Mintzberg's influential study identified three primary and overlapping managerial roles: interpersonal role, decisional role, and informational role. Each role has several related activities that distinguish it from the others. Interpersonal role activities clearly involve the manager with other people both inside and outside the organization. Decisional role activities involve the manager in making decisions about operational matters, resource allocation, and negotiations with the organization's constituencies. The informational role involves the manager as a receiver and sender of information to a variety of individuals and institutions.

Difficulty: Medium

87. (p. 16) Management typically performs four functions. Identify and define these functions. Provide an example of each within the context of your school.

Answers will vary and the examples provided will be location specific. In general answers should include the following.

The concept of management developed in the text is based on the assumption that the necessity for managing arises whenever work is specialized and undertaken by two or more persons. Under such circumstances, the specialized work must be coordinated, creating the necessity for managerial work. The nature of managerial work is then to coordinate the work of individuals, groups, and organizations by performing four management functions: planning, organizing, leading, and controlling. Figure 1.4 depicts management's contribution to effectiveness.

While this list might be arbitrary, managers at all levels of the organization generally perform these functions. The relative importance of one function vis-à-vis another function differs depending on where the manager is in the organization and what problems and issues the manager faces. But the ability to discern the relative importance of planning, organizing, leading, and controlling may distinguish effective managers from ineffective managers.

Difficulty: Medium

88. (p. 20) Describe the three perspectives on determining effectiveness. What perspective is best suited for your university? Justify your response.

Student answers should include the following points.

Goal theory is based on the idea that organizations are rational, purposive entities pursuing specific missions, goals, and objectives. Accordingly, how well they function (i.e., how effective they are) is reckoned in terms of how successful they are in achieving their purposes. Systems theory assumes that organizations are social entities existing as parts of larger environments and that, to survive, they function to satisfy the demands of those environments. Effectiveness in this perspective emphasizes the relative importance of different groups' and individuals' interests in an organization.

The stakeholder perspective on organizational effectiveness recognizes that organizations exist to satisfy the demands of many different individuals and institutions (constituencies). Each constituency has expectations that the organization must satisfy through its performance.

Difficulty: Medium

89. (p. 20) The goal approach to effectiveness suffers from several difficulties. Detail and provide examples for these difficulties.

The goal approach, for all its appeal and apparent simplicity, has problems. A few recognized difficulties include the following:

1. Goal achievement isn't readily measurable for organizations that don't produce tangible outputs. For example, a college's goal is to provide a liberal education at a fair price. The question is how would we know whether the college reaches that goal? What's a liberal education? What's a fair price?
2. Organizations attempt to achieve more than one goal, but achieving one goal often precludes or diminishes their ability to achieve other goals. A firm states that its goal is to maximize profit and to provide absolutely safe working conditions. These two goals are in conflict because one is achieved at the expense of the other.
3. The very existence of a common set of "official" goals to which all members are committed is questionable. Various researchers have noted the difficulty of obtaining consensus among managers as to their organization's specific goals.

Difficulty: Medium

90. (p. 20) Compare the goal, systems, and multiple-constituency approaches to effectiveness.

Answers will vary but may include elements of the following points.

Goal theory is based on the idea that organizations are rational, purposive entities pursuing specific missions, goals, and objectives. Accordingly, how well they function (i.e., how effective they are) is reckoned in terms of how successful they are in achieving their purposes. Systems theory assumes that organizations are social entities existing as parts of larger environments and that, to survive, they function to satisfy the demands of those environments. The stakeholder perspective on organizational effectiveness recognizes that organizations exist to satisfy the demands of many different individuals and institutions (constituencies). Each constituency has expectations that the organization must satisfy through its performance. One study of the applicability of multiple-constituency theory suggests that it may in fact integrate both the system and goal approaches to effectiveness. The study documents that some constituencies favor outcomes related to means (the process element in systems), while others favor outcomes related to ends (the outcome element in systems). Thus, it's possible to use the multiple-constituency theory to combine the goal and systems approaches to obtain a more appropriate approach to organizational effectiveness. But even if we can resolve the differences between the goal and systems approaches with respect to what different constituencies desire from organizational performance, we still must recognize that these desires can change with and over a period of time.

Difficulty: Hard