

*Organizational Theory, Design, and Change, 7e* (Jones)  
Chapter 7 Creating and Managing Organizational Culture

1) The **most important function** of organizational **structure** is to control—that is, coordinate and motivate—people within an organization.

Answer: TRUE

Page Ref: 179

Difficulty: Easy

LO: 7-1

2) Organizational **culture affects** an organization's **performance** and **competitive position**.

Answer: TRUE

Page Ref: 179

Difficulty: Easy

LO: 7-1

3) A **terminal value** is a desired mode of behavior.

Answer: FALSE

Page Ref: 179

Difficulty: Easy

LO: 7-1

4) **Instrumental values** help the organization achieve its **terminal goals**.

Answer: TRUE

Page Ref: 180

Difficulty: Easy

LO: 7-1

5) **Terminal values** are reflected in an organization's **mission statement**.

Answer: TRUE

Page Ref: 180

Difficulty: Easy

LO: 7-1

6) "Maintaining high standards" is an example of a **terminal value**.

Answer: FALSE

Page Ref: 180

Difficulty: Easy

LO: 7-1

7) "Excellence" is an example of an **instrumental value**.

Answer: FALSE

Page Ref: 180

Difficulty: Easy

LO: 7-1

8) An **instrumental value** is a desired end state or outcome that people seek to achieve.

Answer: FALSE

Page Ref: 180

Difficulty: Easy

LO: 7-1

9) An **individualized role orientation** encourages obedience and conformity to rules and norms.

Answer: FALSE

Page Ref: 185

Difficulty: Easy

LO: 7-2

10) An **institutionalized role orientation** results when individuals are allowed and encouraged to be creative and to experiment with changing norms and values so an organization can better achieve its values.

Answer: FALSE

Page Ref: 185

Difficulty: Easy

LO: 7-2

11) **Fixed socialization tactics** allow newcomers to learn on the job, as members of a team.

Answer: FALSE

Page Ref: 185

Difficulty: Easy

LO: 7-2

12) **Sequential socialization tactics** provide newcomers with explicit information about the sequence in which they will perform new activities or occupy new roles as they advance in an organization.

Answer: TRUE

Page Ref: 185

Difficulty: Easy

LO: 7-2

13) **Disjunctive socialization tactics** segregate newcomers from existing organizational members during the learning process.

Answer: FALSE

Page Ref: 185

Difficulty: Easy

LO: 7-2

14) **Serial socialization tactics** require newcomers to figure out and develop their own way of behaving and they are not told what to do.

Answer: FALSE

Page Ref: 186

Difficulty: Easy

LO: 7-2

15) An office Christmas party is an example of a rite of integration.

Answer: TRUE

Page Ref: 187

Difficulty: Easy

LO: 7-2

16) The purpose of rites of integration is to build common norms and values.

Answer: TRUE

Page Ref: 187

Difficulty: Easy

LO: 7-2

17) Rites of enhancement mark an individual's entry to, promotion in, and departure from the organization.

Answer: FALSE

Page Ref: 187

Difficulty: Easy

LO: 7-2

18) Notifications of layoffs, severance payments, and long-term employment are examples of property rights given to the workforce.

Answer: TRUE

Page Ref: 194

Difficulty: Easy

LO: 7-3

19) In an organization, managers have the strongest property rights.

Answer: FALSE

Page Ref: 194

Difficulty: Easy

LO: 7-3

20) The term "golden parachutes" refers to the right of the workers to receive compensation if they are injured on the job.

Answer: FALSE

Page Ref: 194

Difficulty: Moderate

LO: 7-3

21) As compared to an organic structure, a mechanistic structure is more likely to give rise to a culture in which innovation and flexibility are desired end states.

Answer: FALSE

Page Ref: 196

Difficulty: Moderate

LO: 7-3

22) **Organic** structures are tall, highly centralized, and standardized.

Answer: FALSE

Page Ref: 196

Difficulty: Easy

LO: 7-3

23) Organizational **structure** is a source of organizational culture.

Answer: TRUE

Page Ref: 196

Difficulty: Easy

LO: 7-3

24) The managers who have an **obstructionist approach** to corporate social responsibility actively embrace the need to behave in socially responsible ways, go out of their way to learn about the needs of different stakeholder groups, and are willing to use organizational resources to promote the interests not only of stockholders but of the other stakeholders.

Answer: FALSE

Page Ref: 199

Difficulty: Easy

LO: 7-5

25) An organization with an **accommodative approach** to corporate social responsibility agrees that organizational members should behave legally and ethically.

Answer: TRUE

Page Ref: 200

Difficulty: Easy

LO: 7-5

26) Informing (by an employee) an outside person or agency, such as a government agency or a newspaper or television reporter, about an organization's (its managers') illegal or immoral behavior is known as **whistle-blowing**.

Answer: TRUE

Page Ref: 201

Difficulty: Easy

LO: 7-5

---

27) Organizational \_\_\_\_\_ is a set of shared values and norms that controls organizational members' interactions with each other and with people outside the organization.

A) hierarchy

B) culture

C) structure

D) design

Answer: B

Page Ref: 179

Difficulty: Easy

LO: 7-1

28) Which of the following is a terminal value?

- A) excellence
- B) taking risks
- C) working hard
- D) being honest

Answer: A

Page Ref: 179

Difficulty: Easy

LO: 7-1

29) The two kinds of values are terminal and \_\_\_\_\_.

- A) authorial
- B) coaxial
- C) instrumental
- D) differential

Answer: C

Page Ref: 179

Difficulty: Easy

LO: 7-1

30) A(n) \_\_\_\_\_ value is a desired end state or outcome that people seek to achieve.

- A) authorial
- B) instrumental
- C) coaxial
- D) terminal

Answer: D

Page Ref: 179

Difficulty: Easy

LO: 7-1

31) Which of the following is an instrumental value?

- A) excellence
- B) profitability
- C) quality
- D) being frugal

Answer: D

Page Ref: 180

Difficulty: Easy

LO: 7-1

32) \_\_\_\_\_ are standards or styles of behavior that are considered acceptable or typical for a group of people.

- A) Norms
- B) Instrumental values
- C) Terminal values
- D) Beliefs

Answer: A

Page Ref: 181

Difficulty: Easy

LO: 7-1

33) Van Maanen and Schein's model can be used by managers to determine \_\_\_\_\_.

- A) appropriate terminal values for an organization
- B) what principles to use in designing organizational hierarchy
- C) how to structure the socialization experience for newcomers
- D) appropriate instrumental values for an organization

Answer: C

Page Ref: 185

Difficulty: Moderate

LO: 7-2

34) The characteristic way in which newcomers respond to a situation is called \_\_\_\_\_.

- A) socialization
- B) internalization
- C) role orientation
- D) formalization

Answer: C

Page Ref: 185

Difficulty: Easy

LO: 7-2

35) \_\_\_\_\_ is the process by which members learn and internalize the values and norms of an organization's culture.

- A) Formalization
- B) Centralization
- C) Internalization
- D) Socialization

Answer: D

Page Ref: 185

Difficulty: Easy

LO: 7-2

36) **Collective socialization** tactics \_\_\_\_\_.

A) give newcomers precise knowledge of the timetable associated with completing each stage in the learning process

B) allow newcomers to learn on the job, as members of a team

C) provide newcomers with common learning experiences designed to produce a **standardized response to a situation**

D) provide newcomers with explicit information about the sequence in which they will perform new activities

Answer: C

Page Ref: 185

Difficulty: Moderate

LO: 7-2

37) Which of the following allows **new** organizational **members** to try **new norms and values**?

A) an individualized role orientation

B) a high degree of centralization

C) an institutionalized role orientation

D) a narrow stance on social responsibility

Answer: A

Page Ref: 185

Difficulty: Moderate

LO: 7-2

38) \_\_\_\_\_ role orientation results when individuals are **taught to respond to a new context in the same way that existing organizational members respond to it.**

A) Institutionalized

B) Individualized

C) Informal

D) Decentralized

Answer: A

Page Ref: 185

Difficulty: Easy

LO: 7-2

39) In an organization, all the **newly hired trainees** have to go through a **pre-designed classroom** training program. This is an example of a(n) \_\_\_\_\_.

A) individualized role orientation

B) disjunctive socialization tactic

C) institutionalized role orientation

D) informal training program

Answer: C

Page Ref: 185

Difficulty: Moderate

LO: 7-2

40) A newly hired sales trainee is encouraged to go into the marketplace, meet customers, and sell products her own way so that she can learn the appropriate tactics on her own. This is an example of a(n) \_\_\_\_\_.

- A) institutionalized role orientation
- B) serial socialization tactic
- C) sequential training program
- D) individualized role orientation

Answer: D

Page Ref: 185

Difficulty: Moderate

LO: 7-2

41) \_\_\_\_\_ role orientation results when individuals are allowed and encouraged to be creative and to experiment with changing norms and values to better achieve organizational values.

- A) Institutionalized
- B) Formalized
- C) Individualized
- D) Centralized

Answer: C

Page Ref: 185

Difficulty: Easy

LO: 7-2

42) Which of the following socialization tactics separates new organizational members from existing members during the learning process?

- A) individual
- B) disjunctive
- C) investiture
- D) formal

Answer: D

Page Ref: 185

Difficulty: Easy

LO: 7-2

43) A bank has a training program that contains six stages. Newcomers must complete each stage of the training in one month, making the total training time six months. Which of the following socialization tactics is this bank using?

- A) random
- B) informal
- C) disjunctive
- D) fixed

Answer: D

Page Ref: 185

Difficulty: Moderate

LO: 7-2



44) A computer company does not have an established sequence of steps for socializing newcomers. Training is tailored to individual needs. Which of the following socialization tactics is this company using?

- A) random
- B) formal
- C) collective
- D) fixed

Answer: A

Page Ref: 185

Difficulty: Moderate

LO: 7-2

45) Which of the following socialization tactics is most likely to be employed by an organization if it wants to achieve stability and predictability? institutionalized

- A) variable, disjunctive, investiture
- B) random, informal, investiture
- C) sequential, serial, divestiture
- D) random, variable, disjunctive

Answer: C

Page Ref: 185, 186

Difficulty: Easy

LO: 7-2

46) Which of the following socialization tactics is most likely to be employed by an organization if it wants to achieve innovation and flexibility? individualized

- A) sequential, serial, collective
- B) informal, random, investiture
- C) fixed, serial, formal
- D) formal, collective, sequential

Answer: B

Page Ref: 185, 186

Difficulty: Easy

LO: 7-2

47) Which of the following socialization tactics leads to an institutionalized role orientation?

- A) informal
- B) serial
- C) disjunctive
- D) random

Answer: B

Page Ref: 186

Difficulty: Easy

LO: 7-2

48) Which of the following socialization **tactics** leads to an **individualized role orientation**?

- A) formal
- B) serial
- C) disjunctive
- D) collective

Answer: C

Page Ref: 186

Difficulty: Easy

LO: 7-2

49) Which of the following socialization **tactics** involves **providing newcomers with role models and mentors**?

- A) serial
- B) disjunctive
- C) informal
- D) random

Answer: A

Page Ref: 186

Difficulty: Easy

LO: 7-2

50) **Disjunctive** socialization tactics \_\_\_\_\_.

- A) require newcomers to develop their own way of behaving instead of following role models
- B) separate newcomers from existing organizational members during the learning process
- C) provide newcomers with common learning experiences designed to produce a standardized response to a situation
- D) give newcomers precise knowledge of the timetable associated with completing each stage in the learning process

Answer: A

Page Ref: 186

Difficulty: Moderate

LO: 7-2

51) **Divestiture** involves \_\_\_\_\_.

- A) informing newcomers about the sequence in which they will perform new activities
- B) giving newcomers negative social support
- C) separating newcomers from existing organizational members during the learning process
- D) existing organizational members acting as role models and mentors for newcomers

Answer: B

Page Ref: 186

Difficulty: Moderate

LO: 7-2

52) When **new soldiers** are recruited in the military, they go through **pre-established drills and learning experiences**. This is an example of a(n) \_\_\_\_\_ socialization tactic.

- A) informal
- B) sequential
- C) disjunctive
- D) variable

Answer: B

Page Ref: 186

Difficulty: Easy

LO: 7-2

53) Which of the following is most likely to be a **disadvantage** of the **institutionalized role orientation**?

- A) Members produce low quality outputs.
- B) Members have difficulty responding to changing conditions.
- C) Managers have difficulty creating an ethical culture.
- D) Members behave in unpredictable ways.

Answer: B

Page Ref: 186,187

Difficulty: Moderate

LO: 7-2

54) **Rites** of \_\_\_\_\_ build and **reinforce common bonds** between organizational members.

- A) responsibility
- B) integration
- C) enhancement
- D) passage

Answer: B

Page Ref: 187

Difficulty: Easy

LO: 7-2m

55) **Rites** of \_\_\_\_\_ mark an individual's **entry to**, promotion in, and departure from the organization.

- A) passage
- B) enhancement
- C) responsibility
- D) integration

Answer: A

Page Ref: 187

Difficulty: Easy

LO: 7-2

56) A company invites all its employees to a Christmas party. This is an example of a rite of \_\_\_\_\_.

- A) passage
- B) integration
- C) enhancement
- D) responsibility

Answer: B

Page Ref: 187

Difficulty: Easy

LO: 7-2

57) Rites of \_\_\_\_\_ publicly recognize and reward employees' contributions.

- A) responsibility
- B) integration
- C) enhancement
- D) passage

Answer: C

Page Ref: 187

Difficulty: Easy

LO: 7-2

58) Triad Systems, every year, gives the Grindstone Award to those individuals who most consistently demonstrate initiative, focus, dedication, and persistence. This is an example of a rite of \_\_\_\_\_.

- A) enhancement
- B) passage
- C) integration
- D) responsibility

Answer: A

Page Ref: 187

Difficulty: Easy

LO: 7-2

59) The purpose of rites of passage is to \_\_\_\_\_.

- A) encourage members to learn and internalize the organization's norms and values
- B) motivate organizational members to be committed to the company's norms and values
- C) build common bonds between organizational members
- D) allow an organization to change its norms and values

Answer: A

Page Ref: 187

Difficulty: Easy

LO: 7-2

60) Rites of enhancement \_\_\_\_\_.

- A) allow an organization to change its norms and values
- B) motivate organizational members to be committed to the company's norms and values
- C) build common bonds between organizational members
- D) encourage members to learn and internalize the organization's norms and values

Answer: B

Page Ref: 187

Difficulty: Moderate

LO: 7-2

61) The socialization programs used in companies like 3M and Microsoft recognize their most creative people with special job titles. This is an example of a rite of \_\_\_\_\_.

- A) differentiation
- B) passage
- C) responsibility
- D) integration

Answer: B

Page Ref: 187

Difficulty: Easy

LO: 7-2

62) A high-tech company has a casual dress code. This dress code is considered a part of the organizational \_\_\_\_\_.

- A) theory
- B) structure
- C) design
- D) language

Answer: D

Page Ref: 188

Difficulty: Easy

LO: 7-2

63) Which of the following is used to convey cultural values to organizational members?

- A) annual reports
- B) organizational stories
- C) red herring prospectus
- D) BCG matrix

Answer: B

Page Ref: 188

Difficulty: Easy

LO: 7-2

64) Which of the following is a source of organizational culture?

- A) environmental dynamism
- B) organizational specialization
- C) property rights
- D) environmental richness

Answer: C

Page Ref: 189

Difficulty: Easy

LO: 7-3

65) One manufacturing company in the aluminum industry has an innovative culture, and a competitor from the same country has a conservative culture. What could account for this difference in organizational culture?

- A) stance on social responsibility
- B) environmental richness
- C) organizational structure
- D) societal ethics

Answer: C

Page Ref: 189

Difficulty: Easy

LO: 7-3

66) Cultural values of the organization are most likely to be derived from \_\_\_\_\_.

- A) the practices followed by the competitors
- B) the beliefs of the founders
- C) the preferences of the customers
- D) the opinions of the industry experts

Answer: B

Page Ref: 191

Difficulty: Easy

LO: 7-3

67) Which of the following terms refers to the authority that an organization gives to its members to receive and use organizational resources?

- A) enhancement rights
- B) patents
- C) property rights
- D) licenses

Answer: C

Page Ref: 193

Difficulty: Easy

LO: 7-3

68) In an organization, who has the strongest property rights?

- A) shareholders
- B) top managers
- C) employees
- D) customers

Answer: A

Page Ref: 194

Difficulty: Easy

LO: 7-3

69) What are golden parachutes?

- A) the rights of the managers to lay off employees if they are not performing well
- B) the rights of the customers to receive compensation if the product bought by them is faulty
- C) rights of the managers to receive large sums of money if they are fired when their company is taken over
- D) the rights of the workers to receive compensation if they are injured on the job

Answer: C

Page Ref: 194

Difficulty: Hard

LO: 7-3

70) The distribution of property rights in an organization influences the \_\_\_\_\_.

- A) stance of the organization on the corporate social responsibility
- B) individual ethics of the employees
- C) instrumental values that shape employee behavior
- D) richness of the organization's environment

Answer: C

Page Ref: 194

Difficulty: Easy

LO: 7-3

71) Golden parachutes are property rights generally given to the \_\_\_\_\_.

- A) managers
- B) suppliers
- C) shareholders
- D) customers

Answer: A

Page Ref: 194

Difficulty: Easy

LO: 7-3

72) Pension and severance pay are the examples of the property rights given to the \_\_\_\_\_.

- A) suppliers
- B) customers
- C) workforce
- D) shareholders

Answer: C

Page Ref: 194

Difficulty: Easy

LO: 7-3

73) Which of the following statements about property rights is true?

- A) In an organization top managers have the strongest property rights.
- B) Distribution of property rights has no effect on the instrumental values in the organization.
- C) The property rights are the rights of the customers to demand compensation when a product purchased by them is faulty.
- D) The distribution of property rights to different stakeholders determines how effective an organization is.

Answer: D

Page Ref: 194

Difficulty: Moderate

LO: 7-3

74) Which of the following statements is true regarding mechanistic organizational structures?

- A) Mechanistic structures are highly decentralized.
- B) Mechanistic structures encourage a culture in which innovation and flexibility are the desired end states.
- C) Mechanistic structures are flat.
- D) Mechanistic structures give little personal autonomy to employees.

Answer: D

Page Ref: 196

Difficulty: Moderate

LO: 7-3

75) Which of the following statements is most likely to be true regarding organic organizational structures?

- A) Organic structures are taller than mechanistic structures.
- B) Organic structures encourage a culture in which predictability and stability are the desired end states.
- C) In organic structures people are encouraged to be creative and to take risks.
- D) Organic structures are highly centralized.

Answer: C

Page Ref: 196

Difficulty: Moderate

LO: 7-3



76) A manager in a company believes that it is ok to give illegal bribes to city officials to get favorable decisions. His stance on corporate social responsibility could best be described as \_\_\_\_\_.

- A) defensive
- B) obstructionist
- C) accommodative
- D) proactive

Answer: B

Page Ref: 199

Difficulty: Moderate

LO: 7-5

77) The term " \_\_\_\_\_ " refers to a manager's duty or obligation to make decisions that nurture, protect, enhance, and promote the welfare and well-being of stakeholders and society as a whole.

- A) rite of enhancement
- B) organizational citizenship
- C) social responsibility
- D) rite of integration

Answer: C

Page Ref: 199

Difficulty: Easy

LO: 7-5

78) Organizations using which of the following approaches have the lowest level of commitment to social responsibility?

- A) accommodative approach
- B) proactive approach
- C) defensive approach
- D) obstructionist approach

Answer: D

Page Ref: 199

Difficulty: Easy

LO: 7-5

79) Samantha is a manager in a company. She believes strongly in following existing laws, but when making ethical choices, she puts the claims of the shareholders above the other stakeholders. Her stance on corporate social responsibility could best be described as \_\_\_\_\_.

- A) defensive
- B) obstructionist
- C) accommodative
- D) proactive

Answer: A

Page Ref: 200

Difficulty: Easy

LO: 7-5

80) Managers adopting the \_\_\_\_\_ approach to social responsibility agree that organizational members ought to behave legally and ethically. These managers want to make choices that are reasonable in the eyes of society and want to do the right thing when called on to do so.

- A) integrative
- B) obstructionist
- C) accommodative
- D) associative

Answer: C

Page Ref: 200

Difficulty: Easy

LO: 7-5

81) A CEO of a company feels that he is only responsible for following the law and standard business practices. His company will most likely \_\_\_\_\_.

- A) take an obstructionist stance on social responsibility
- B) take a defensive stance on social responsibility
- C) use socialization tactics that lead to an individualized role orientation
- D) commit unethical acts

Answer: B

Page Ref: 200

Difficulty: Moderate

LO: 7-5

82) Which of the following statements is most likely to be true regarding the managers who take a proactive approach to social responsibility?

- A) They are most likely to behave unethically and illegally and do all they can to prevent knowledge of their behavior from reaching other organizational stakeholders and society at large.
- B) They implement formal, serial and collective socialization tactics.
- C) They are willing to use organizational resources to promote the interests not only of stockholders but of the other stakeholders.
- D) They encourage the use of those socialization tactics that lead to an individualized role orientation.

Answer: C

Page Ref: 200

Difficulty: Hard

LO: 7-5

83) Which of the following statements is most likely to be **true** regarding the managers who take a **defensive approach** to social responsibility?

- A) They make **no** attempt to exercise social responsibility beyond what the law dictates.
- B) They balance the interests of different stakeholders against one another so the claims of stockholders are seen in relation to the claims of other stakeholders.
- C) They are willing to use organizational resources to promote the interests not only of stockholders but of the other stakeholders.
- D) They behave unethically and illegally and do all they can to prevent knowledge of their behavior from reaching other organizational stakeholders and society at large.

Answer: A

Page Ref: 200

Difficulty: Hard

LO: 7-5

84) The CEO of Apex Corporation **authorizes** a very large **donation** to the CRY foundation **because he believes in their cause**. His stance on corporate social responsibility could best be described as \_\_\_\_\_.

- A) defensive
- B) obstructionist
- C) accommodative
- D) proactive

Answer: D

Page Ref: 200

Difficulty: Moderate

LO: 7-5

85) **Informing** (by an employee) an **outside** person or agency, such as a government agency or a newspaper or television reporter, about an organization's (its managers') **illegal or immoral** behavior is known as \_\_\_\_\_.

- A) moonlighting
- B) surface bargaining
- C) whistle-blowing
- D) circular logrolling

Answer: C

Page Ref: 201

Difficulty: Easy

LO: 7-5

86) What is the difference between a **terminal** and an **instrumental value**?

Answer: A **terminal value** is a desired end state or outcome, such as excellence, while an **instrumental value** is a desired mode of behavior, such as "working hard."

Page Ref: 179, 180

Difficulty: Easy

LO: 7-1

87) Explain how organizational culture facilitates personal and team interactions that are necessary to develop organizational competences and obtain a competitive advantage.

Answer: There are many ways in which culture can inspire and facilitate the intense kind of personal and team interactions that are necessary to develop organizational competences and obtain a competitive advantage.

1  
3 Cultural values are important facilitators of mutual adjustment in an organization. When shared cultural values provide a common reference point, employees do not need to spend much time establishing rapport and overcoming differences in their perceptions of events. Cultural values can smooth interactions among organizational members. People who share an organization's values may come to identify strongly with the organization, and feelings of self-worth may flow from their membership in it.

4  
Also, organizational culture is a form of informal organization that facilitates the workings of the organizational structure. It is an important determinant of the way employees view their tasks and roles. It tells them, for example, if they should stay within established rules and procedures and simply obey orders or whether they are allowed to make suggestions to their superiors, find better or more creative ways of performing their roles, and feel free to demonstrate their competency without fear of reprisal from their peers or superiors.

Page Ref: 184

Difficulty: Moderate

LO: 7-1

88) Define role orientation. What are the two types of role orientation?

Answer: Role orientation is the characteristic way in which newcomers respond to a situation. The use of different sets of socialization tactics leads to two different role orientations: institutionalized and individualized.

An institutionalized role orientation results when individuals are taught to respond to a new context in the same way that existing organizational members respond to it. An institutionalized orientation encourages obedience and conformity to rules and norms.

An individualized role orientation results when individuals are allowed and encouraged to be creative and to experiment with changing norms and values so an organization can better achieve its values.

Page Ref: 185

Difficulty: Moderate

LO: 7-2

89) Differentiate between sequential and random socialization tactics.

Answer: Socialization is the process by which members learn and internalize the values and norms of an organization's culture. Sequential tactics provide newcomers with explicit information about the sequence in which they will perform new activities or occupy new roles as they advance in an organization. With random tactics, training is based on the interests and needs of individual newcomers because there is no set sequence to the newcomers' progress in the organization.

Page Ref: 185

Difficulty: Easy

LO: 7-2

90) What are the three different types of organizational rites?

Answer: Organizations use several types of ceremonial rites to communicate cultural norms and values.

Rites of passage: Rites of passage mark an individual's entry to, promotion in, and departure from the organization. The main purpose of rites of passage is to allow employees to learn and internalize norms and values.

Rites of integration: Rites of integration, such as shared announcements of organizational success, office parties, and company cookouts, build and reinforce common bonds between organizational members.

Rites of enhancement: Rites of enhancement such as awards dinners, newspaper releases, and employee promotions, publicly recognize and reward employees' contributions. The main purpose of rites of enhancement is to motivate commitment to norms and values.

Page Ref: 187

Difficulty: Moderate

LO: 7-2

91) How can a manager develop an innovative culture?

Answer: A manager needs to ensure that the interaction of the four sources of culture—the characteristics of the people, organizational ethics, the distribution of property rights, and organizational structure—encourage innovation. The top-management team should state that innovation is a terminal value, and they should develop rules and norms that lead to creative behavior. The company can hire creative people who are willing to take risks, and the company can use socialization tactics that lead to an individualized role orientation to instill terminal values of innovation in newcomers. Managers can distribute property rights based on performance; if employees are innovative, they receive bonuses. Finally, the company should design an organic structure and decentralize decision-making.

Page Ref: 185, 189, 194, 196

Difficulty: Hard

LO: 7-1, 7-2, 7-3, 7-4

92) A nuclear power plant manager is concerned that his organization is not innovative and flexible enough to adjust to the changing times. What factors would have led to this conservative culture and is this culture appropriate for this organization?

Answer: Top managers at the plant's headquarters probably have stated the importance of predictability; predictability is a terminal value. The organization has developed instrumental values of obedience and caution. The company probably uses socialization tactics that lead to an institutionalized role orientation to instill their terminal values in newcomers. Property rights are likely distributed based on the ability to follow orders. The plant probably has a mechanistic structure; this structure is tall and highly centralized. Employees are not given autonomy to make decisions and must obey superiors. A conservative culture is necessary for a nuclear power plant to ensure predictability. Unpredictable and creative behavior inherent in organic structures can be inappropriate in a nuclear plant. Predictable and standardized behavior is needed to avoid disasters.

Page Ref: 180,185,193, 197

Difficulty: Hard

LO: 7-1, 7-2, 7-3, 7-4

93) What are the four sources of organizational culture?

Answer: Organizational culture develops from the interaction of four factors: the personal and professional characteristics of people within the organization, organizational ethics, the property rights that the organization gives to employees, and the structure of the organization.

**Characteristics of people** within the organization: The ultimate source of organizational culture is the people who make up the organization. People may be attracted to an organization whose values match theirs; similarly, an organization selects people who share its values. Over time, people who do not fit in leave. The result is that people inside the organization become more and more similar, the values of the organization become more and more parochial, and the culture becomes more and more distinct from that of similar organizations.

**Organizational ethics:** Many cultural values derive from the personality and beliefs of the founder and the top-management team and are in a sense out of the control of the organization. These values are what they are because of who the founder and top managers are.

**Property rights:** The values in an organization's culture also stem from how the organization distributes property rights: the rights that an organization gives to its members to receive and use organizational resources. Property rights define the rights and responsibilities of each inside stakeholder group and cause the development of different norms, values, and attitudes toward the organization.

**Organizational structure:** Organizational structure is the formal system of task and authority relationships that an organization establishes to control its activities. Because different structures give rise to different cultures, managers need to design a certain kind of organizational structure to create a certain kind of organizational culture.

Page Ref: 189-196

Difficulty: Moderate

LO: 7-3

94) What is **whistle-blowing**?

Answer: **Informing** (by an employee) an **outside person** or agency, such as a government agency or a newspaper or television reporter, about an organization's (its managers') **illegal or immoral behavior** is known as whistle-blowing.

Page Ref: 201

Difficulty: Easy

LO: 7-5

95) What are the **four approaches to social responsibility**?

Answer: The term social responsibility refers to a manager's duty or obligation to make decisions that nurture, protect, enhance, and promote the welfare and well-being of stakeholders and society as a whole.

The four approaches to social responsibility are:

**Obstructionist approach:** Obstructionist managers choose not to behave in a socially responsible way. Instead, they behave unethically and illegally and do all they can to prevent knowledge of their behavior from reaching other organizational stakeholders and society at large.

**Defensive approach:** A defensive approach indicates at least a commitment to ethical behavior. Defensive managers stay within the law and abide strictly within legal requirements, but they make no attempt to exercise social responsibility beyond what the law dictates. Managers adopting this approach do all they can to ensure that their employees behave legally and do not harm others. But when making ethical choices, these managers put the claims and interests of their shareholders first, at the expense of other stakeholders.

**Accommodative approach:** An accommodative approach is an acknowledgment of the need to support social responsibility. Accommodative managers agree that organizational members ought to behave legally and ethically, and they try to balance the interests of different stakeholders against one another so the claims of stockholders are seen in relation to the claims of other stakeholders.

**Proactive approach:** Managers taking a proactive approach actively embrace the need to behave in socially responsible ways, go out of their way to learn about the needs of different stakeholder groups, and are willing to use organizational resources to promote the interests not only of stockholders but of the other stakeholders.

Page Ref: 199, 202

Difficulty: Moderate

LO: 7-5