

Chapter 2

Organization Renewal: The Challenge of Change

TEST QUESTIONS

True/False Questions

1. Organization renewal requires that top managers make adaptive changes to the environment.
(T, easy, p. 32)
2. Stability is both a necessity and an obstruction to change.
(T, moderate, p. 34)
3. In a hyperturbulent environment, management decisions can usually be based on the extrapolation of historical experience.
(F, moderate, p. 34-36)
4. Entropy is the use of supplies or assets in the transformation of resource inputs to outputs in an open system.
(F, moderate, p. 34, 38-39)
5. Sluggish management refers to a management style based on a stable environment and being able to be highly adaptive.
(F, moderate, p. 36-39)
6. Satisficing management and renewing management are management styles that include a hyperturbulent environment.
(F, moderate, p. 37-38)
7. A system, which is a set of parts that are connected, is designed to achieve a goal.
(T, easy, p. 38)
8. The elements of a system must have an established arrangement.
(T, easy, p. 38)
9. The systems approach views the organization as a system of highly developed and a constant set of relationships among the individual components.
(F, moderate, p. 38-39)

10. Outputs are the products and services produced by the organization.
(T, easy, p. 39)
11. One of an open system's basic qualities includes the requirement that the interrelationships of the individual system elements must be static.
(F, easy, p. 39)
12. A closed system is in continual interaction with its environment.
(F, easy, p. 39)
13. A sociotechnical system is not organized around tasks but instead it is organized around processes.
(T, easy, p. 40)
14. The sociotechnical systems OD approach is considered an excellent technique because it is relatively easy for the change agent to implement.
(F, moderate, p. 41)
15. The contingency approach states that there are many methods of accomplishing a change objective but there is one best way to change.
(F, easy, p.41-42)
16. Future shock can be avoided by developing a sophisticated model of a closed system.
(F, easy, p. 42)
17. The differences between organization transformation and organization development can also be referred to as the differences between revolution and evolution.
(T, moderate, p. 43-44)
18. OD or planned organizational change is an attempt to improve the effectiveness of groups of the organization and not other entities.
(F, easy, p. 44)
19. Content and process are two dimensions of observing and analyzing work groups.
(T, easy, p. 45)

Multiple-Choice Questions

20. The ongoing process of building innovation and adaptation into an organization is known as _____.
a. entropy
b. static equilibrium
c. feedback
d. future shock
e. renewal
(e, easy, p. 32-33)

21. Some ideas in systems theory have had substantial impact on management thinking. Which of the following refers to a system's tendency to break down unless it is maintained?

- a. feedback
- b. entropy
- c. dynamic equilibrium
- d. process observation
- e. future shock

(b, moderate, p. 34)

22. A hyperturbulent environment is characterized by _____.

- a. rapidly changing product lines
- b. continual technological innovation
- c. stable market growth
- d. all of the above
- e. answers a and b

(e, moderate, p. 35-6)

23. A sluggish management system is usually found _____.

- a. when job placement is based on performance objectives
- b. when development is the key strategy
- c. in a hyperturbulent environment
- d. in a stable environment
- e. none of the above

(d, moderate, p. 36)

24. Organizations with a low level of adaptation existing in a rapidly changing environment deal with problems _____.

- a. on a short-run basis
- b. through formal committees and centralized decision making
- c. using a long-term plan based on stable goals
- d. proactively, taking advantage of new opportunities
- e. answers b and c

(a, difficult, p. 37)

25. A renewing/transformational management system is characterized by _____.

- a. a stable environment
- b. a formal structure that is clearly defined for all members to see
- c. an ability to deal with future shock
- d. centralized decision making
- e. all of the above

(c, difficult, p. 37-38)

26. Rapid technological change in the environment forces an organization to develop a _____ orientation.

- a. satisficing
- b. conservative
- c. renewing
- d. monitoring
- e. progressive

(c, moderate, p. 37-38)

27. The innovations of corporations such as Google and 3M best typify what adaptation orientation?

- a. satisficing
- b. renewing transformational
- c. reactive
- d. sluggish thermostat
- e. none of the above

(b, easy, p. 37-38)

28. The main idea underlying the systems approach is that _____.

- a. all parts are interrelated
- b. critical parts are related
- c. it allows us to look at the internal organization
- d. some parts belong to the external environment
- e. none of the above

(a, easy, p. 38)

29. What type of phenomena can be analyzed from a systems viewpoint?

- a. biological system
- b. organization system
- c. economic system
- d. all of the above
- e. none of the above

(d, easy, p. 38)

30. The idea that organization change may have substantial effects extending far beyond the area in which the change actually takes place relates to _____.

- a. interdependency
- b. contingency theory
- c. process observation
- d. information overload
- e. a hyperturbulent environment

(a, moderate, p. 38-39)

31. Examine the following sets of terms and select the set that contains the three basic elements of a system.

- a. inputs, throughputs, and transportation
- b. entropy, synergy, and interdependence
- c. environment, feedback, and outputs
- d. inputs, transformation, and outputs
- e. none of the above

(d, moderate, p. 38-39)

32. If an organization is viewed as a system by its managers, which of the following is (are) characteristic(s) of the organization?

- a. It consists of discrete, isolated parts.
- b. It relies on rules and procedures to standardize its activities into a systematic effort.
- c. It acquires inputs, transforms them, and exports outputs to the environment.
- d. answers a and c
- e. all of the above

(c, moderate, p. 38-39)

33. The best reason for using a systems approach in OD is _____.

- a. it provides a dynamic model of change and interrelationships
- b. it implicitly recognizes organizational purpose or mission
- c. it provides a static model of change and intervention
- d. the model is functional irrespective of inputs from the environment
- e. none of the above

(a, moderate, p. 38-39)

34. All of the following are principles of systems theory EXCEPT _____.

- a. team spirit
- b. open system
- c. dynamic equilibrium
- d. feedback
- e. transformation process

(a, moderate, p. 38-39)

35. A continual flow of information between an open system and its environment is known as _____.

- a. entropy
- b. dynamic equilibrium
- c. feedback
- d. future shock
- e. renewal

(c, moderate, p. 39)

36. The primary factor that differentiates an open system from a closed system is _____.

- a. a closed system is self-contained and isolated from interactions with its environment
- b. open systems sustain dynamic equilibrium whereas a closed system disintegrates into entropy
- c. open systems have a feedback loop and closed systems do not
- d. all of the above
- e. none of the above

(d, moderate, p. 39)

37. A business organization using the process of reciprocity is an example of _____.
a. synergy
b. boundary
c. a closed system
d. an open system
e. information overload

(d, easy, p. 39)

38. An entity that is in continual interaction with its environment and achieves a relatively steady state is said to be in _____.
a. entropy
b. dynamic equilibrium
c. a feedback stage
d. future shock
e. renewal

(b, moderate, p. 39)

39. Managers can no longer function within the traditional organization chart, but must learn to _____.
a. change government regulations for organizational gain
b. integrate a department with the whole organization
c. control workers to complete production goals
d. cope with demographics
e. none of the above

(b, moderate, p. 39-41)

40. Which of the following is NOT an element of the technological environment of organizations?
a. process of innovation
b. policies
c. patents
d. techniques
e. equipment

(b, easy, p. 40-41)

41. When an organization is viewed as a sociotechnical system, which is the LEAST common subsystem?
a. culture
b. technological
c. values
d. transportation
e. managerial

(d, moderate, p. 40-41)

42. In attempting to create more adaptive organizations, the change leader focuses change efforts on the _____.
a. managerial subsystem
b. technical subsystem
c. psychosocial subsystem
d. structural subsystem
e. all of the above
(e, easy, p. 40-42)
43. Which of the following is NOT an element of the psychosocial environment of organizations?
a. norms
b. mission
c. social relationships
d. behavioral patterns
e. roles
(b, moderate, p. 41)
44. A contingency approach to management means developing _____.
a. a programmed system
b. workable control procedures
c. strong leadership skills
d. actions appropriate for a situation
e. a mission and vision
(d, easy, p. 41-42)
45. The contingency approach to management is concerned with _____.
a. the relationship between the organization and its environment
b. applying mathematical models to management problems
c. studying the psychological forces that affect managers
d. studying the sociological forces that affect workers
e. none of the above
(a, moderate, p. 41-42)
46. Which theory of management stresses that the effectiveness of management practices varies according to the particular conditions of the situation?
a. classical
b. behavioral
c. management science
d. contingency
e. none of the above
(d, easy, p. 41-42)
47. The contingency view of management suggests that _____.
a. managerial effectiveness depends on a set of conditions
b. managerial efficiency depends on mathematical modeling
c. managerial effectiveness depends on applying universal principles
d. managerial efficiency depends on good human relations
e. managerial effectiveness depends on its efficiencies
(a, moderate, p. 41-42)

48. The contingency approach is best defined by the phrase _____.
a. "It is in the future"
b. "It is interlocking"
c. "It is unknown"
d. "It all depends"
e. "Time will tell"
(d, moderate, p. 41-42)
49. The statement "that there is no one best way of managing all situations" best describes what type of system for managing change?
a. process approach
b. organization transformation
c. socio approach
d. contingency approach
e. none of the above
(d, easy, p. 41-42)
50. In the contingency approach, managers must identify the best technique in terms of _____.
a. the situation
b. the circumstances
c. the time
d. all of the above
e. none of the above
(d, easy, p. 41-42)
51. When change occurs too rapidly, individuals and organizations may enter a stage of _____ in trying to cope with the superimposition of a new culture on an old one.
a. entropy
b. dynamic equilibrium
c. feedback
d. future shock
e. renewal
(d, easy, p. 42-43)
52. The ability to adapt to change is critical to an organization because _____.
a. reliance on one management style may not be appropriate as circumstances change
b. society is placing new demands for social responsibility on business
c. technological and environmental change is increasing
d. all of the above
e. none of the above
(d, moderate, p. 42-43)

53. An effort to rapidly alter the framework and assumptions of an organization is termed _____.
a. organization change
b. organization efficiency
c. organization development
d. organization implementation
e. organization transformation
(e, easy, p. 43-44)
54. The phrase best representing the OD approach to the management of change is _____.
a. “planned change”
b. “overcome resistance”
c. “reverse conflict”
d. “soft sell”
e. “process observation”
(a, easy, p. 43-44)
55. While change using the methods of organization transformation may be described as being _____, change using organization development may be described as being _____.
a. methodical, rapid
b. critical, low priority
c. rapid, critical
d. adequate, superior
e. revolutionary, evolutionary
(e, moderate, p. 43-44)
56. An organization experiencing future shock to such an extent that it is threatening the survival of the organization is more likely to resort to what method of change?
a. organization development
b. organization transformation
c. sociotechnical systems approach
d. open system analysis
e. all of the above
(b, difficult, p. 42-44)
57. Process observation is the technique used to _____ work groups as systems.
a. renew and revitalize
b. train and develop
c. identify and categorize
d. compare and contrast
e. observe and analyze
(e, moderate, p. 45)

58. An OD practitioner may focus on the processes of a team, that is the _____, and not the content of the team's activities.
- product's quality of the team
 - degree of future shock that is motivating team behavior
 - labor cost of making efficient and effective decisions
 - way the team members work with one another
 - resource inputs, transformation processes, and outputs
- (d, difficult, p. 42-43, 45)

Essay Questions

59. Contrast the following system concepts: entropy and dynamic equilibrium.

Entropy is a movement towards disorder and eventual system breakdown. This is the end result of all systems that do not exchange energy and resources with their environment. In an adaptive organization, the process of exchanging energy and resources with the environment leads to dynamic equilibrium via planned change.
(p. 34, 39)

60. Define "satisficing" management and explain what impact Alvin Toffler's concept of future shock has on this adaptation orientation.

Satisficing management is characterized by a stable environment and high adaptation. Emphasis is on centralized decision making with problems referred to the top and clearly defined procedures and roles. Change is accomplished at a "good enough" rate, but primary concern is not with pacesetting. This response is acceptable when pressure for change is low, but as change is "avalanching on our heads" a firm that settles for a satisficing orientation is in jeopardy of losing its competitive edge. Toffler's concept of greatly accelerating rate of change means that satisficing management is inadequate to deal with today's organizations.
(p. 37, 42-43)

61. Think of an organization and apply the systems perspective to describe its functioning. Use all components.

Each students' answer should be evaluated and should include the following:

- Inputs
 - Transformation process
 - Output
 - Feedback
 - Environment
- (p. 39-41)

62. List the three areas that change efforts typically focus on and give an example of techniques available in each area.
- a. Individual effectiveness: possible techniques include informal training programs, executive development programs.
 - b. Team effectiveness: on either task activities or team process: one technique is process observation, which frequently uses participant observers.
 - c. Organization effectiveness: the technique of OD, but only when the total system is the target for change.
- (p. 48-9)

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