## Chapter 17 Managing Organizational Change and Learning, Organizations

**True / False Questions**

1.*(p. 482)* Managers who spend sufficient time designing a theoretically sound organizational change program will always achieve the anticipated results.   
**FALSE**

*Rationale: Managers can design a sound change program and yet not achieve any of the anticipated results, often because they overlooked the importance of providing motivation, reinforcement and feedback to employees.*

2.*(p. 482)* Unfreezing old learning deals directly with resistance to change.   
**TRUE**

3.*(p. 482)* It's management's responsibility to show employees why they should want to change.   
**TRUE**

4.*(p. 482)* Training non-managerial employees has always been a high priority among American corporations.   
**FALSE**

*Rationale: Training non-managerial employees has not always been a high priority for American firms, although recent loss of market share to foreign competitors is encouraging them to move training higher up on the list of priorities.*

5.*(p. 483)* The intervention of an outside change agent is often necessary because managers tend to encounter power gridlocks.   
**FALSE**

*Rationale: The intervention of an outside change agent is often necessary because managers tend to seek answers in traditional solutions.*

6.*(p. 484)* The usual internal change agent is a recently appointed manager or executive of the organization.   
**TRUE**

7.*(p. 484)* The members of an internal change agent group always come from the ranks of upper management.   
**FALSE**

*Rationale: The members of an internal change agent group can come from any level or function in an organization.*

8.*(p. 484)* The change agent's view on the problems faced by the organization are often the same as the decision maker's views.   
**FALSE**

*Rationale: The change agent's view on the problems faced by the organization are often different from the decision maker's views.*

9.*(p. 484)* The internal change agent is often viewed as being more closely associated with one unit or group of individuals than with any other.   
**TRUE**

10.*(p. 485)* When individuals do not understand the implications of a change, they will resist it.   
**TRUE**

11.*(p. 485)* With proper planning and execution, the issue of people resisting change can be avoided.   
**FALSE**

*Rationale: The issue of people resisting change is inevitable.*

12.*(p. 485)* Those initiating change see more costs involved with the change than positive results, while those being affected by the change see more positive results than costs.   
**FALSE**

*Rationale: Those initiating change see more positive results involved with the change than costs, while those being affected by the change see more costs than positive results.*

13.*(p. 485)* Resistance to change is never a healthy situation for any firm.   
**FALSE**

*Rationale: Resistance is sometimes healthy for a firm, especially in a situation where the affected employees possess more valid data and information than the initiators of the change.*

14.*(p. 485)* Individuals who clearly understand that change is necessary are always able to successfully make the transition.   
**FALSE**

*Rationale: Some individuals may understand the need for change, but be emotionally unable to make the transition.*

15.*(p. 488)* Organizations seldom undertake significant change without a strong shock from their environment.   
**TRUE**

16.*(p. 488)* Computer technology and automation have affected the social conditions of work.   
**TRUE**

17.*(p. 488)* Slowness to adopt new technology that reduces cost and improves quality will, in time, negatively impact the financial statement of the organization.   
**TRUE**

18.*(p. 489)* Internal forces for change can usually be traced to power struggles.   
**FALSE**

*Rationale: Internal forces for change can usually be traced to process and behavioral problems.*

19.*(p. 489)* Well-managed organizations with open communication channels have no employee discontent.   
**FALSE**

*Rationale: A certain level of employee discontent exists in most organizations.*

20.*(p. 489)* In many organizations, the need for change goes unrecognized until some major catastrophe occurs.   
**TRUE**

21.*(p. 489)* The accuracy of data is extremely important; how it is interpreted is equally important.   
**TRUE**

22.*(p. 490)* The attitude survey can pose difficulties for organizations with low levels of trust in management's sincerity to use the information in constructive ways.   
**TRUE**

23.*(p. 490)* Choice of a particular intervention depends primarily on the level of resistance that management expects to encounter.   
**FALSE**

*Rationale: Choice of a particular intervention depends primarily on the nature of the problem that management has diagnosed.*

24.*(p. 490)* Identifying the problems of individuals is much easier than identifying organizational problems.   
**FALSE**

*Rationale: Identifying individuals' problems is far more difficult than identifying organizational problems.*

25.*(p. 490)* The term *depth of intensity* refers to the magnitude of the problem to be addressed and the significance of the change required to address the problem.   
**FALSE**

*Rationale: This is the definition for the term depth of intended change.*

26.*(p. 492)* Structural changes alter some aspects of the authority system.   
**TRUE**

27.*(p. 492)* Departmentalization in some firms is based largely on a contingency perspective.   
**TRUE**

28.*(p. 493)* Employee counseling programs that grew out of the Hawthorn studies were primarily directed at increasing employee motivation.   
**TRUE**

29.*(p. 493)* Not all structural parts of an organization are interrelated.   
**FALSE**

*Rationale: All structural parts of an organization are interrelated.*

30.*(p. 493)* Changing one job may or may not, affect other jobs.   
**FALSE**

*Rationale: Changing one job affects all surrounding jobs.*

31.*(p. 493)* The major objective of behavioral change techniques is to coordinate performance of assigned tasks.   
**TRUE**

32.*(p. 494)* Team-building interventions do not always require a complex process of diagnostics and action meetings.   
**TRUE**

33.*(p. 494)* Team building efforts are not effective when groups are first formed.   
**FALSE**

*Rationale: Team building is also effective when new groups are being formed.*

34.*(p. 494)* Team building meetings should take place in the relevant work area.   
**FALSE**

*Rationale: Team building meetings should take place away from the work site.*

35.*(p. 495)* In the context of diversity training, sensitivity means sensitivity both to self and to relationships with others.   
**TRUE**

36.*(p. 495)* Diversity training stresses conceptual training rather than emotional training.   
**FALSE**

*Rationale: Diversity training stresses emotional training rather than conceptual training.*

37.*(p. 495)* Technological change includes all new techniques, whether or not they include new machines.   
**TRUE**

38.*(p. 495)* In a flexible manufacturing system, a part or a product is produced entirely by automation.   
**TRUE**

39.*(p. 495)* Computer and robotic technologies have affected over half of America's jobs.   
**TRUE**

40.*(p. 495-496)* Computerizing the workplace requires major behavioral changes for success.   
**TRUE**

41.*(p. 496)* Technological change alters the amount and type of training that employees need.   
**TRUE**

42.*(p. 496)* Companies with a highly automated manufacturing process and employee teams typically use individualized pay approaches, such as a piece rate system.   
**FALSE**

*Rationale: Individual pay approaches don't work in this scenario because the contributions of individual employees are hard to measure.*

43.*(p. 496)* Teams working with highly automated processes have much less authority in performing their tasks than do individuals with traditional assembly-line jobs.   
**FALSE**

*Rationale: Teams working with highly automated process have much more authority than their counterparts in more traditional assembly-line jobs.*

44.*(p. 496)* Technological changes in the workplace can often lead to ethical issues for managers.   
**TRUE**

45.*(p. 497)* *Appreciation* means to value, see the best in others and recognize positive potential.   
**TRUE**

46.*(p. 500)* Downsizing is traumatic for employees who must leave the organization, but has little effect on those who remain.   
**FALSE**

*Rationale: Downsizing is traumatic for both employees who leave and for those who remain.*

47.*(p. 500)* Many management experts believe that downsizing is the primary contributor to a decline in employee loyalty in organizations.   
**TRUE**

48.*(p. 500)* A rising number of companies are empowering employees to make workplace decisions that were once the domain of management.   
**TRUE**

49.*(p. 500)* Empowerment has been credited with improving service quality in a number of companies.   
**TRUE**

50.*(p. 500)* All employees welcome the greater responsibility that empowerment requires.   
**FALSE**

*Rationale: Some employees have difficulty assuming greater responsibility.*

51.*(p. 501)* A well-designed and implemented change program will succeed, even without management support.   
**FALSE**

*Rationale: Any change program not supported by management has only a minimal chance of success.*

52.*(p. 502)* If a manager implements change without considering the constraints imposed by prevailing conditions within the present organization, the original problem may only get worse.   
**TRUE**

53.*(p. 503)* Ordinary operations are not a factor when implementing a change of considerable magnitude.   
**FALSE**

*Rationale: A change of considerable magnitude should not compete with ordinary operations, unless the change is critical to the survival of the organization.*

54.*(p. 503)* If a change is implemented smoothly and efficiently, it will not meet with resistance.   
**FALSE**

*Rationale: No matter how smooth or efficient a change may be, some individuals or groups are likely to resist it.*

55.*(p. 504)* At the most fundamental level, change is based largely on the existing power relationship in the organizations.   
**TRUE**

56.*(p. 504)* Employees who are the subjects of a change intervention are given the choice to participate.   
**FALSE**

*Rationale: Employees who are the subjects of a change intervention are not given the choice to participate.*

57.*(p. 504)* An employee who is given the choice of either being fired or participating in the change process is being *manipulated*.   
**FALSE**

*Rationale: In this case, the employee is being coerced.*

58.*(p. 505)* Sharing knowledge and ideas becomes a habit in a learning organization.   
**TRUE**

**Multiple Choice Questions**

59.*(p. 482)* Popular literature, including best sellers, warns managers that their organizations' futures depend on their ability to:   
A. Develop unique products  
B. Keep costs low  
C. Enter new markets  
**D.** Master change

60.*(p. 483)* External change agents are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ employees of the organization.   
A. Permanent  
B. Part-time  
**C.** Temporary  
D. Flex-time

61.*(p. 483)* The usual external change agent is a private consultant who has training and experience in:   
A. Finance  
**B.** The behavioral sciences  
C. Management  
D. Globalization

62.*(p. 484)* The combination external-internal team's ability to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and develop a more positive rapport can reduce resistance to any forthcoming change.   
A. Consult  
B. Counsel  
**C.** Communicate  
D. Coexist

63.*(p. 484)* The *least* commonly used type of change agent is the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.   
A. Internal change agent  
B. External change agent  
**C.** External-internal change agent  
D. All three types of change agents are used equally.

64.*(p. 484)* Change triggers irrational emotional reactions because of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ involved.   
A. Emotion  
B. People  
**C.** Uncertainty  
D. New tasks

65.*(p. 485)* In organizations characterized by high levels of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, misunderstandings will likely be associated with any organizational change.   
**A.** Mistrust  
B. Interdependency  
C. Power  
D. Mechanization

66.*(p. 489)* The text suggests that accurately diagnosing a problem requires asking all of the following questions *except*:   
A. What is the problem, as distinct from the symptoms of the problem?  
B. What must be changed to resolve the problem?  
**C.** How are the employees expected to respond and what steps will be taken to deal with the response?  
D. What outcomes are expected from the change and how will these outcomes be measured?

67.*(p. 490)* The attitude survey is a useful diagnostic approach if the potential focus of change is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.   
A. A small unit or work group  
**B.** The total organization  
C. Product-related  
D. Technology-related

68.*(p. 490)* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a specific action or program undertaken to focus the change process on particular targets.   
A. Targeting  
B. Focusing  
**C.** Intervention  
D. Redirecting

69.*(p. 491)* Which of the following components is part of the *informal* organization?   
**A.** Affective relationships between managers and subordinates  
B. Job definitions and descriptions  
C. Operating policies and practices  
D. Human resource policies and practices

70.*(p. 491)* All of the following are considered behavioral change approaches *except*:   
A. Team building  
B. Developing leadership skills  
**C.** Automation of work processes  
D. Modifying employees' knowledge

71.*(p. 492)* A job can be changed by altering all of the following *except*:   
**A.** The person doing the job  
B. The job description  
C. The role expectations of the position  
D. Workflow patterns

72.*(p. 492)* Which of the following is *not* an example of a structural change?   
A. Bases for departmentalization  
**B.** Job titles  
C. Locations where work tasks are completed  
D. Line-staff relationships

73.*(p. 493)* Which of the following is *not* one of the most commonly used change approaches?   
A. Team building  
**B.** Sexual harassment training  
C. Sensitivity training  
D. Transactional analysis

74.*(p. 493)* What is the ultimate purpose of team building?   
A. To create more harmony in the workplace.  
B. To allow leaders to emerge from the group.  
**C.** To enable work groups to do their work more effectively.  
D. All of the choices are correct

75.*(p. 493)* Elements of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ change often include plans, procedures, span of control and levels of organization.   
**A.** Structural  
B. Procedural  
C. Behavioral  
D. Technological

76.*(p. 498)* Identification of everything that is considered the best of "what is" occurs during the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ phase of an appreciative inquiry.   
A. Dreaming  
B. Designing  
**C.** Discovery  
D. Delivery

77.*(p. 498)* Discussing and analyzing "what should be" happens during the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ phase of an appreciate inquiry.   
A. Delivery  
B. Discovery  
C. Dreaming  
**D.** Designing

78.*(p. 498)* Which of the following is an anticipated improvement outcome of a *behavioral* change?   
A. Satisfaction  
B. Efficiency  
**C.** Self-awareness  
D. Output

79.*(p. 500)* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ involves reducing the size of the workforce. It may also involve closing and consolidating some operations.   
A. Restructuring  
B. Streamlining  
**C.** Downsizing  
D. Redesigning

80.*(p. 501)* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ means that all or some portion, of the job is performed at home or from somewhere other than the central work site.   
A. Job sharing  
B. Part-time work  
C. Collaborating  
**D.** Telecommuting

81.*(p. 502)* Total quality management attempts to move managers toward all of the following styles *except*:   
**A.** Authoritative  
B. Group-centered  
C. Supportive  
D. Open

82.*(p. 502)* The nature of the work environment that results from the leadership style and administrative practices of managers is termed the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ climate.   
A. Management  
**B.** Leadership  
C. Behavioral  
D. Charismatic

83.*(p. 502)* The formal organization includes all the following *except*:   
A. The philosophy and policies of top management  
B. Legal precedent  
C. Organizational structure  
**D.** The products and/or services produced

84.*(p. 503)* The implementation of proposed change has two dimensions: timing and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.   
**A.** Scope  
B. Cooperation  
C. Cost  
D. Coordination

85.*(p. 503)* According to the text, the stimulus for change is a deterioration of performance objectives and standards that can be traced to all of the following *except*:   
A. Structural causes  
B. Behavioral causes  
C. Technology causes  
**D.** Management changes

86.*(p. 507)* All of the following help build a commitment to learning *except*:   
**A.** Creating an infrastructure that moves ideas across organizational boundaries  
B. Publicly promoting the value of learning  
C. Creating rewards and symbols of learning  
D. Investing in learning

**Fill in the Blank Questions**

87.*(p. 482)* Movement to new learning requires training, demonstration and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.   
**empowerment**

88.*(p. 483)* Refreezing a learned behavior occurs through the application of reinforcement and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.   
**feedback**

89.*(p. 488)* The forces for change can be classified into two groups: environmental forces and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ forces.   
**internal**

90.*(p. 488)* The manager of a business has historically been concerned with reacting to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ forces.   
**economic**

91.*(p. 495)* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ refers to the growing number of minority groups in the workplace.   
**Diversity**

**Short Answer Questions**

92.*(p. 483)* It has been suggested that superiors be trained before subordinates. What is the advantage of doing so?

Superiors, if trained and motivated, can serve as a reinforcers and sources of feedback for subordinates who have been trained and are now back on the job.

93.*(p. 484)* Why does an external change agent have an advantage over an internal change agent when significant strategic changes must be evaluated?

The external agent offers a fresh perspective and is less encumbered by organizational baggage or biases.

94.*(p. 485)* Some people resist organizational change out of fear of losing something they value. List four things that employees commonly fear losing.

Any four of the following: loss of power, resources, freedom to make decisions, friendships and prestige. Other answers may also be correct, such as loss of job or pay.

95.*(p. 485)* Initiators of change often make two overly broad assumptions. The first is that they have all the relevant data and information available to diagnose the situation. What is the second assumption?

That those to be affected by the change also have the same facts.

96.*(p. 488)* Name two external environment forces that can trigger a change response.

Any two of the following: economic forces, technology, social change, political change.

97.*(p. 490)* List the five ways that data about an organization and/or its processes can be collected.

Questionnaire, direct observation, interviews, workshops and examination of documents/records.

98.*(p. 499)* List three types of internal organizational changes that can be encouraged by forces in the external environment.

Any three of the following: downsizing, empowerment, virtual jobs and flextime. Each type of change usually brings about changes in the structural, behavior and technological aspects of the organization.

99.*(p. 507)* What are some of the things that those who share information and knowledge hope to achieve?

They hope to achieve innovation, competitive advantage and productive accomplishments.

**Essay Questions**

100.*(p. 485)* List the four primary reasons why people resist change.

1. Parochial self-interest.  
2. Misunderstanding and lack of trust.  
3. Different assessments.  
4. Low tolerance for change.

101.*(p. 486)* According to Glade Wilkes, vice president of safety for Great West Casulty Co., says that there is a cycle of change in an organization. Explain the cycles.

The cycle starts with recognition of a problem, then proceeds to the formulation of ideas for change, implementation of those ideas and then integration of the change into the company's culture.

102.*(p. 489)* What sort of things can happen or fail to happen, within an organization when communication is inadequate or nonexistent?

These types of things can happen: customer orders aren't filled, a grievance isn't processed, an invoice isn't filed, a supplier isn't paid and interpersonal or interdepartmental conflicts. Other answers may also be correct.

103.*(p. 490)* About what is an attitude survey used to collect data or information?

An attitude survey is used to collect data or information about a person's opinion or reaction to an event, person, item, situation or organization program.

104.*(p. 492)* There are four things about a job that can be changed to alter it. What are they?

(1) The job description. (2) The role expectations of a position. (3) The relationships among positions. (4) Work flow patterns.

105.*(p. 505)* William G. Dyer, who spent 30 years helping organizations reach their potential effectiveness, states that nine conditions must be present if an intervention is to have some chance of bringing about the desired change. List five of the conditions.

Any five of the following:  
1. Management and all those involved must have high and visible commitment to the effort.  
2. People who are involved need to have advance information that enables them to know what is to happen and why they are being asked to do what they are to do.  
3. The effort, especially the evaluation and reward systems, must be connected to other parts of the organization.  
4. The effort needs to be directed by line managers and assisted by a change agent if necessary.  
5. The effort must be based on good diagnosis and must be consistent with the conditions in the organization.  
6. Management must remain committed to the effort throughout all its steps, from diagnosis through implementation and evaluation.  
7. Evaluation is essential and must consist of more than asking people how they felt about the effort.  
8. People must see clearly the relationship between the effort and the organization's mission and goals.  
9. The change agent, if used, must be clearly competent and perceived as competent.

106.*(p. 497)* One study found that 69 of the respondents felt that computers represent a threat to their personal privacy. Do you feel the same? Why or why not?

Student answers will vary. There are no right or wrong answers.

107.*(p. 506)* Table 17.1 in the text pointed out ten factors that facilitate organizational learning capabilities. List five of them.

Any five of the following: scanning the environment, performance issues, metrix, experimental philosophy, transparency, education, operational variety, multiple advocates, engaged leaders and role models.