Test Bank for Project Management Achieving Competitive Advantage 5th Pinto

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Project Management: Achieving Competitive Advantage, 5e **(Pinto)**
Chapter 2 The Organizational Context: Strategy, Structure, and Culture

1) A strategic perspective on project management might ask all of the following questions pertaining to organizational setting prior to undertaking a project EXCEPT:
A) What is our corporate culture?
B) Does this project support the company vision?
C) Do we have established reporting relationships?
D) Can we complete the project on time?
Answer: D
Diff: 1
Section: 2.1 Implementing Strategy Through Projects
LO: 2.1: Understand how effective project management contributes to achieving strategic objectives.
Classification: Concept
AACSB: Application of Knowledge

2) All of the following are considered as three of the most important contextual issues impacting project management EXCEPT:
A) Culture.
B) Strategy.
C) Organizational structure.
D) Information systems.
Answer: D
Diff: 1
Section: 2.1 Implementing Strategy Through Projects
LO: 2.1: Understand how effective project management contributes to achieving strategic objectives.
Classification: Concept
AACSB: Application of Knowledge

3) The same project managed in the same fashion may succeed in one organization but fail in another.
Answer: TRUE
Diff: 2
Section: 2.1 Implementing Strategy Through Projects
LO: 2.1: Understand how effective project management contributes to achieving strategic objectives.
Classification: Concept
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4) Most companies are well suited to allow for successful completion of projects in conjunction with other ongoing corporate activities.
Answer: FALSE
Diff: 1
Section: 2.1 Implementing Strategy Through Projects
LO: 2.1: Understand how effective project management contributes to achieving strategic objectives.
Classification: Concept
AACSB: Application of Knowledge

5) What is meant by the statement, "successful project management is contextual"?
Answer: The author indicates that the organization itself really matters—its culture, its structure, and its strategy each play an integral part, and together they create the environment in which a project will flourish or founder. Contextual issues provide the backdrop around which project activities must operate, so understanding what is beneath these issues truly contributes to understanding how to manage projects.
Diff: 2
Section: 2.1 Implementing Strategy Through Projects
LO: 2.1: Understand how effective project management contributes to achieving strategic objectives.
Classification: Critical Thinking
AACSB: Reflective Thinking

6) Which of the following is NOT an element of strategic management?
A) Formulating cross-functional decisions
B) Implementing cross-functional decisions
C) Evaluating cross-functional decisions
D) Eliminating cross-functional decisions
Answer: D
Diff: 1
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
Classification: Concept
AACSB: Application of Knowledge

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7) Which of the following is descriptive of a vision statement?
A) Inspirational
B) Functional
C) Supportive
D) Critical
Answer: A
Diff: 1
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
Classification: Concept
AACSB: Application of Knowledge

8) One purpose of a mission statement is to:
A) Establish a sense of what the organization hopes to accomplish.
B) Explain the company's reason for existence.
C) Support the tactical plans of the organization.
D) Explicitly enumerate the projects in the company's portfolio.
Answer: B
Diff: 1
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
Classification: Concept
AACSB: Application of Knowledge

9) The science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives is BEST described as:
A) Operations management.
B) Strategic management.
C) Project management.
D) Marketing management.
Answer: B
Diff: 1
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
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10) Developing a strategy that capitalizes on both internal strengths and external opportunities identified in a TOWS matrix is an example of a:
A) Maxi-maxi strategy.
B) Maxi-mini strategy.
C) Mini-mini strategy.
D) Mini-maxi strategy.
Answer: A
Diff: 2
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
Classification: Concept
AACSB: Application of Knowledge

11) Developing vision and mission statements is an important tactical step in project management.
Answer: FALSE
Diff: 2
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
Classification: Concept
AACSB: Application of Knowledge

12) One element of strategic management is cross-functional decision making.
Answer: TRUE
Diff: 1
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
Classification: Concept
AACSB: Application of Knowledge

13) Strategy, goals, and projects support the organizational mission.
Answer: TRUE
Diff: 1
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
Classification: Concept
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14) The TOWS matrix is used primarily to avoid external opportunities and minimize internal strengths.
Answer: FALSE
Diff: 1
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
Classification: Concept
AACSB: Application of Knowledge

15) What is strategic management and what role do projects play in it?
Answer: Strategic management is the science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. Projects have been called "stepping stones" of corporate strategy because an organization's overall strategic vision is the driving force behind its project development. Many firms apply their vision statement or mission to evaluating new project opportunities as a first screening device.
Diff: 2
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
Classification: Critical Thinking
AACSB: Application of Knowledge

16) Develop a TOWS matrix for a Fortune 100 firm that has announced a new project within the past year. Demonstrate how the new project, which could be any revenue-generating new product or service, fits or doesn't fit the organization based on your TOWS analysis.
Answer: Examples will vary, but the TOWS analysis must contain the elements of Threats, Opportunities, Weaknesses, and Strengths. Ideally the matrix should reference specific internal strengths and weaknesses and external opportunities and threats and the project offered as an example should reference at least some of these elements specifically.
Diff: 3
Section: 2.2 Projects and Organizational Strategy
LO: 2.2: Recognize three components of the corporate strategy model: formulation, implementation, and evaluation.
Classification: Critical Thinking
AACSB: Analytical Thinking

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17) The management department at the university decides to add a new program in restaurant, hotel, and institutional management. As part of the development process they hold focus groups consisting of area business leaders, current and former students, and restaurant and hotel owners. These groups can be described as:
A) Project leaders.
B) Project workers.
C) Stakeholders.
D) Clients.
Answer: C
Diff: 2
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Concept
AACSB: Application of Knowledge

18) Which statement about stakeholders is BEST?
A) Stakeholders wield considerable power.
B) Stakeholders can potentially impact project development.
C) Stakeholders are external to a company.
D) By definition, clients are not stakeholders, they are customers.
Answer: B
Diff: 2
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Concept
AACSB: Application of Knowledge

19) External stakeholders that are external to a project but possess the power to effectively disrupt the project's development are:
A) Intervenor groups.
B) Environmental groups.
C) Stressor groups.
D) Special-interest groups.
Answer: A
Diff: 2
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20) Which of the following statements about clients is BEST?
A) Client refers to the entire customer organization.
B) Clients tend to be concerned with receiving the project as quickly as they can possibly get it.
C) Client groups tend to have similar agendas.
D) A single presentation is best when dealing with all client groups in an organization so that everyone hears exactly the same message.
Answer: B
Diff: 2
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Application
AACSB: Application of Knowledge

21) Which of the following is an internal project stakeholder group?
A) Clients
B) Suppliers
C) Functional managers
D) Competitors
Answer: C
Diff: 2
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Concept
AACSB: Application of Knowledge

22) Which of the following is an external stakeholder group?
A) Project team members
B) Top management
C) Internal accountants
D) Environmental groups
Answer: D
Diff: 1
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23) The group that provides raw materials or resources that the project team needs to complete the project is:
A) Suppliers.
B) Intervenor groups.
C) Top management.
D) Functional managers.
Answer: A
Diff: 1
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Concept
AACSB: Application of Knowledge

24) The first step in Block's framework of the political process as applied to stakeholder management is to:
A) Assess your own capabilities.
B) Assess the environment.
C) Identify the goals of the principal actors.
D) Define the problem.
Answer: B
Diff: 2
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Concept
AACSB: Application of Knowledge

25) Creating action plans to address the needs of various stakeholder groups is part of the _____ step of Block's framework for stakeholder management.
A) define the problem
B) test and refine the solutions
C) develop solutions
D) identify the goals of the principal actors
Answer: C
Diff: 2
Section: 2.3 Stakeholder Management
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26) Internal stakeholder analysis looks at a project's customers and determines whether their needs are being met.
Answer: FALSE
Diff: 2
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LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Concept
AACSB: Application of Knowledge

27) Suppliers and competitors are possible intervenor groups in a project.
Answer: TRUE
Diff: 1
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Concept
AACSB: Application of Knowledge

28) An important step in stakeholder management is the assessment of your own capabilities.
Answer: TRUE
Diff: 1
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Concept
AACSB: Application of Knowledge

29) Define the term *stakeholder* and discuss the major groups of stakeholders.
Answer: Stakeholders are defined as all individuals or groups who have an active stake in the project and can potentially impact, either positively or negatively, its development. Internal and external are the broad categories of stakeholder groups. Internal stakeholders include top management, project team members, and other functional managers, among others. External stakeholder groups include clients, competitors, suppliers, and intervenor groups.
Diff: 2
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Concept
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30) Consider your current major and the courses that comprise it. From the perspective of your university, and more specifically, from the department that "owns" this major, identify the stakeholders of this major. List the stakeholders in two categories, internal and external and assess the environment and the goals of each of these stakeholders.
Answer: Examples will vary, but internal stakeholders might include the students pursuing this major, the faculty in the department and any service department teaching the constituent courses, and other university faculty or staff, e.g., advisors, placement offices, continuing education, etc. External stakeholders could include graduates, area employers, the community, and the state legislature for public institutions. Goals for internal stakeholders might be to grow the program, place students in well-compensated and high-profile jobs, score well on nationally normed certification tests, secure research funding and consultancies, and retain and graduate a high percentage of matriculants.
Diff: 2
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Critical Thinking
AACSB: Analytical Thinking

31) What are Block's six steps to stakeholder management and what should be accomplished in each step?
Answer: Block's six steps as applied to stakeholder management include: 1) assess the environment; 2) identify the goals of the principal actors; 3) assess your own capabilities; 4) define the problem; 5) develop solutions; 6) test and refine the solutions.
Assessing the environment calls for an investigation into the project's impact — will it be very high profile or low key? Identification of the principal actors' goals is a first step in defusing negative reaction. The project team should also look for hidden agendas in goal assessment. Assessment of your own capabilities means taking inventory of the organization and identifying strengths and weaknesses. Solution development means creating an action plan to address the needs of the stakeholder groups and doing political homework. Testing and refining the solution requires acknowledging that the project manager and team are operating under imperfect information.
Diff: 3
Section: 2.3 Stakeholder Management
LO: 2.3: See the importance of identifying critical project stakeholders and managing them within the context of project development.
Classification: Application
AACSB: Application of Knowledge

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32) Which of the following is NOT an element of organizational structure?
A) Well-articulated mission, vision, and value statements
B) Formal reporting relationships
C) Grouping together of individuals into departments
D) Systems designed to ensure effective communication
Answer: A
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

33) The assistant to the manager did not report to the assistant manager, only to the manager. This reporting relationship was clearly delineated in the:
A) Company culture.
B) Organizational structure.
C) Stakeholder analysis.
D) Company mission statement.
Answer: B
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Application
AACSB: Application of Knowledge

34) Organizational structure identifies the grouping of individuals into:
A) Organizations.
B) Companies.
C) Silos.
D) Departments.
Answer: D
Diff: 1
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LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
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35) Individuals are commonly organized into departments for all of the following reasons EXCEPT:
A) Seniority.
B) Function.
C) Product.
D) Geography.
Answer: D
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

36) Span of control refers to:
A) The number of departments involved in a project.
B) The number of days that the project manager is allowed to complete the project.
C) The number of employees one person supervises.
D) The number of levels from top to bottom in an organization.
Answer: C
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

37) The University of Puhonicks hires several professors that specialize in accounting, management, and economics and clusters each into one of three departments. The dean has obviously decided to group employees by:
A) Function.
B) Geography.
C) Project.
D) Product.
Answer: D
Diff: 3
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
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38) One thing that organizational structure must include is:
A) The design of systems for effective communication.
B) The standards of performance for all employees.
C) The expected outcomes for all projects in the company portfolio.
D) The mission and vision statements.
Answer: A
Diff: 3
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

39) Which statement about organization for project management is BEST?
A) The overall structure of the organization specifies how project team members should communicate with the project manager.
B) The internal project team structure specifies the arrangement of all units or interest groups participating in the development of the project.
C) Two distinct organizational structures operate simultaneously within the project management context: the organizational structure and the project team structure.
D) All of these statements are correct.
Answer: B
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

40) Probably the most common type of organizational structure today is:
A) Project.
B) Functional.
C) Matrix.
D) Organic.
Answer: B
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
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41) Companies that are structured by grouping people performing similar activities into departments are:
A) Project organizations.
B) Functional organizations.
C) Matrix organizations.
D) Departmental organizations.
Answer: B
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

42) A major player in the software industry stumbles from one new edition of its operating system and office automation package to another. As soon as one package is released, the programmers and developers have two weeks to latch onto a different team that is updating a different package. Failure to find another team to work for means an end to their employment. This organizational structure is BEST classified as a:
A) Functional organization.
B) Matrix organization
C) Project organization.
D) Flexible organization.
Answer: C
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

43) John Drone toils endlessly at Hurts Corporation on his routine assignment and also on a number of project teams. His annual evaluation features input from his line manager and each of the project managers, all of whom have equal say in how his 12-hour work day is partitioned. John Drone is employed by a:
A) Functional organization.
B) Project organization.
C) Cross-functional organization.
D) Matrix organization.
Answer: D
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
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44) A functional organization structure is a weakness for project management because:
A) In-depth knowledge and intellectual capital development are enabled.
B) No disruption or changes to a firm's design are necessitated by projects developed within this structure.
C) Priorities among functional departments may be different and competing.
D) Standard career paths are enabled so team members only perform their duties as needed.
Answer: C
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

45) The tendency of employees in a functionally organized company to become fixated on their own concerns and work assignments to the exclusion of the needs of other departments is known as:
A) Layering.
B) Myopia.
C) Nepotism.
D) Siloing.
Answer: D
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

46) The functional structure is well-suited when:
A) There are low levels of external uncertainty.
B) There is high instability in the environment.
C) Project coordination is assigned to the lowest levels in an organization.
D) There must be rapid response to external opportunities and threats.
Answer: A
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Application
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47) In general, the poorest organizational structure when it comes to managing projects is probably the:
A) Matrix structure.
B) Functional structure.
C) Project structure.
D) Process structure.
Answer: B
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Application
AACSB: Application of Knowledge

48) All major decisions and authority are under the control of the project manager in a:
A) Matrix structure.
B) Functional structure.
C) Project structure.
D) Process structure.
Answer: C
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

49) A project structure for an organization is a peach when you consider how well it:
A) Creates legions of project management experts.
B) Maintains a pooled supply of intellectual capital.
C) Assuages the fear of unemployment by project team members once the project has ended.
D) Fosters loyalty to the overall organization by project team members.
Answer: A
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
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50) Staffing fluctuations associated with project completion and initiation are most likely to occur in organizations that are:
A) Functionally structured.
B) Project structured.
C) Matrix structured.
D) Process structured.
Answer: B
Diff: 3
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

51) A dual hierarchy is the salient feature of a:
A) Project structure.
B) Matrix structure.
C) Functional structure.
D) Bi-modal structure.
Answer: B
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

52) The project manager controls most of the project activities and functions, including the assignment and control of project resources in the:
A) Strong matrix.
B) Weak matrix.
C) Dual matrix.
D) Primal matrix.
Answer: A
Diff: 2
Section: 2.4 Organizational Structure
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53) The manager of the Super Burrito Project is in the midst of an important project team meeting but Fred Fromage, the representative from the Cheese department, is nowhere to be found. After a brief investigation it is determined that Fred's manager in the Cheese department has other plans for Fred's time and efforts over the next several days and he simply won't be available for Super Burrito Project work. The organizational structure being used here is unquestionably a:
A) Strong matrix.
B) Weak matrix.
C) Project organization.
D) Chevre organization.
Answer: B
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Application
AACSB: Application of Knowledge

54) A major weakness of a matrix organizational structure for project management occurs when:
A) The environment is dynamic.
B) Resources are scarce and shared between functional responsibilities and the competing project.
C) The number of human resource coordination meetings is considered.
D) One considers the dual importance of project management and functional efficiency.
Answer: C
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

55) A matrix organization for project management has a distinct advantage because:
A) Dual hierarchies mean two bosses.
B) A significant amount of time is spent negotiating the sharing of critical resources.
C) Workers must reconcile competing project and functional demands.
D) Project importance is enhanced by setting authority equal to that of functional departments.
Answer: D
Diff: 1
Section: 2.4 Organizational Structure
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56) The belief that organizations can sometimes gain tremendous benefit from creating a fully dedicated project organization is captured by the term:
A) Heavyweight project organization.
B) Matrix organization.
C) Benevolent society.
D) Leveraged benefits.
Answer: A
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Application
AACSB: Application of Knowledge

57) The Larson and Gobeli study that compared projects that had been managed in a variety of structural types revealed that new product development projects tended to be MOST effectively executed when the organizational structure was a:
A) Project matrix.
B) Project organization.
C) Balanced matrix.
D) Functional matrix.
Answer: B
Diff: 3
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

58) The Larson and Gobeli study that compared projects that had been managed in a variety of structural types revealed that construction projects tended to be MOST effectively executed when the organizational structure was a:
A) Project organization.
B) Balanced matrix.
C) Project matrix.
D) Functional matrix.
Answer: C
Diff: 3
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Application
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59) The Larson and Gobeli study that compared projects that had been managed in a variety of structural types revealed that both new product development and construction projects tended to be LEAST effectively executed when the organizational structure was a:
A) Project matrix.
B) Project organization.
C) Balanced matrix.
D) Functional organization.
Answer: D
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Application
AACSB: Application of Knowledge

60) Policies and procedures are examples of an organization's external environment.
Answer: FALSE
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

61) A project organization does not have functional departments.
Answer: FALSE
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

62) The goal of a matrix structure is to create a simultaneous focus on the need to be quickly responsive to both external opportunities and internal operating efficiencies.
Answer: TRUE
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

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63) The heavyweight project organization concept is based on the notion that successful project organizations happen by chance or luck, while focusing on functional maintenance and autonomous teams.
Answer: FALSE
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

64) What are the three types of organizations presented by the author and how are they different?
Answer: The three organizational structures presented by the author are the functional organization, the project organization, and the matrix organization. The functional structure is probably the most common organization and consists of grouping people by business activity or duties in the organization. A project organization is set up with their exclusive focus aimed at running projects. Resources are assigned to the project for as long as the project needs them. A matrix organization is a combination of functional and project alternatives and seeks a balance between these two extremes. The matrix structure creates a dual hierarchy where there is a balance of authority between project emphasis and functional departmentalization.
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Critical Thinking
AACSB: Reflective Thinking

65) What are the advantages and disadvantages of using a functional structure to manage a project?
Answer: A functional structure groups people and departments performing similar activities into units. Division of labor in the functional structure is not based on the type of product or project supported, but rather according to the type of work performed. In an organization having a functional structure, members routinely work on multiple projects or support multiple product lines simultaneously. The most common weakness in a functional structure is the tendency for employees organized this way to become fixated on their concerns and work assignments to the exclusion of the needs of other departments (called functional siloing). An additional weakness of the functional structure is it provides no logical location for a central project management function and that projects operating in this environment must be layered on top of the duties of functional groups. Finally, there is a tendency to sub-optimize efforts on a project that is not tightly bound to a group. A department that is not directly affected by a project may put forth only the minimum effort.
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Application
AACSB: Application of Knowledge

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66) Describe the two forms of a matrix organization and indicate the advantages of each for project management.
Answer: A matrix organization may be further classified as being a weak matrix (sometimes called functional matrix) and a strong matrix (sometimes referred to as a project matrix). A weak matrix has a great deal of functional organization character; the manager still controls resources and manages project components. The strong matrix cedes much of this control over to the project manager. If the functional and project managers differ in skills, then the form having the superior manager would be ideal. The strong matrix is the closest that a matrix environment can come to be a true project organization. If the competitive environment is such that a project organization form is ideal, then the strong matrix is superior to the weak matrix.
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Application
AACSB: Application of Knowledge

67) What is a pure project structure for an organization? What are the advantages of using this structure?
Answer: A project structure is set up such that the exclusive focus is on running projects. Each project is a self-contained business unit with a dedicated project team. The project manager is the leader of the project and the staff all report to the leader. The staffing decisions and duration of the employees' tenure with the project are left to the discretion of the project manager, who is the chief point of authority for the project. The four advantages of this structure as presented in the text are: the project manager is the authority and in control of the project; improved communication among project team members; there is a ready supply of trained project management professionals; and increased flexibility and rapid response to environmental opportunities.
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Critical Thinking
AACSB: Application of Knowledge

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68) What are the elements of organizational structure?
Answer: Organizational structure consists of three key elements. It designates formal reporting relationships, including the number of levels in the hierarchy and the span of control of managers and supervisors. Organizational structure identifies the grouping together of individuals into departments and departments into the total organization. Organizational structure includes the design of systems to ensure effective communication, coordination, and integration of effort across departments.
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

69) Describe the ways that individuals are grouped within an organization.
Answer: The most common reasons for creating a department are by function, product, geography, and project. Functional structures group people performing similar activities into departments. Product structures cluster together all employees responsible for a single product line or family of products. Geography ignores product and function and groups people by geographical region or physical location. Project grouping puts people involved in the same project in the same department.
Diff: 1
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Concept
AACSB: Application of Knowledge

70) Consider your weekly routine and how it might be managed as a pure project structure. What changes would be required for you to convert from a process mentality to a project mentality?
Answer: A project structure is set up such that the exclusive focus is on running projects. As such, the student's degree plan could be considered to be a college degree project, the student's employment could be considered a company president or VP project, and any children they might have could be considered their retirement plan. Given my current failure-to-launch progeny, perhaps the last example is a stretch. The idea would be to take a long-term view of end goals and see the day to day as constituent activities of each. The student is the project manager and to a great extent, the project team, operating autonomously perhaps for the more personal degree and child-rearing projects and less so for the career ladder project.
Diff: 2
Section: 2.4 Organizational Structure
LO: 2.4: Recognize the strengths and weaknesses of three basic forms of organizational structure and their implications for managing projects.
Classification: Critical Thinking
AACSB: Reflective Thinking

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71) Centralized units within an organization or department that oversee or improve the management of projects are called:
A) Project management offices.
B) PERT units.
C) Tiger teams.
D) Central clearinghouses.
Answer: A
Diff: 1
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

72) A PMO is NOT used:
A) As a resource center.
B) To act as a central repository for project documentation.
C) To replace the project manager as being responsible for the project.
D) As the place where project management improvements are identified and then disseminated to the rest of the organization.
Answer: C
Diff: 1
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

73) A typical PMO could supply a company's project manager with assistance in:
A) Composing a project culture document.
B) Establishing organizational structure.
C) Crafting a mission statement.
D) Resource allocation.
Answer: D
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

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74) A typical PMO could supply a company's project manager with assistance in:
A) Activity scheduling.
B) Establishing organizational structure.
C) Crafting a mission statement.
D) Day-to-day process improvement.
Answer: A
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

75) The PMO is used as a tracking and monitoring device under the:
A) Control tower model.
B) Resource pool model.
C) Weather station model.
D) Radar model.
Answer: C
Diff: 1
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

76) The PMO is used to protect and support the skill of project management under the:
A) Resource pool model.
B) Weather station model.
C) Control tower model.
D) Project model.
Answer: C
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

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77) The PMO is used to maintain and provide a cadre of skilled and trained project professionals as needed under the:
A) Control tower model.
B) Cadre model.
C) Weather station model.
D) Resource pool model.
Answer: D
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

78) The weather station model performs the invaluable function of:
A) Keeping an eye on project status without influencing the project.
B) Establishing standards for managing projects.
C) Enforcing the adherence to accepted protocols for project management.
D) Improving the current state of project management procedures.
Answer: A
Diff: 1
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

79) The greatest advantage of a PMO is that:
A) It is essentially another layer of oversight within the organization.
B) It helps an organization develop project management skills.
C) It serves as a bottleneck for communication across the organization.
D) All project management skills are located at one point in an organization.
Answer: B
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Application
AACSB: Application of Knowledge

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80) A project management office requiring compliance with standards and procedures that have been adopted is best described as a _____ form of PMO.
A) Directive
B) Controlling
C) Supportive
D) Authoritative
Answer: B
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Application
AACSB: Application of Knowledge

81) The _____ form of PMO has a high level of control in managing organizational projects.
A) Directive
B) Controlling
C) Supportive
D) Authoritative
Answer: A
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Application
AACSB: Application of Knowledge

82) A supportive PMO has low degree of control and plays a consultative role to projects through providing access to training, templates, best practices, and lessons learned.
Answer: TRUE
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Application
AACSB: Application of Knowledge

83) A project management office is designed to oversee or improve the management of projects without stripping responsibility from the project manager.
Answer: TRUE
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
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84) The weather station model of the project management office (PMO) uses the PMO as only a tracking and monitoring device.
Answer: TRUE
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

85) The resource pool model of the project management office (PMO) provides skilled labor to an organization's projects.
Answer: TRUE
Diff: 1
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

86) The resource pool model of the project management office (PMO) works best when the PMO is generally viewed as a Level 1 support structure.
Answer: FALSE
Diff: 1
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Concept
AACSB: Application of Knowledge

87) Compare and contrast the three alternative forms and purposes of project management office models with regards to place in organization, function, and effectiveness in project management.
Answer: A project management office (PMO) is a centralized unit within an organization or department that oversees or improves the management of projects. PMOs have been described as operating under one of three alternative forms and purposes within companies: 1) weather station, 2) control tower, and 3) resource pool. The major difference among the three forms is the level of involvement in the project management process. The weather station form is used only when the PMO is needed for tracking and monitoring project progress. The control tower model treats project management as a business skill to be protected and supported, focusing on developing methods for continually improving project management skills. The goal of the resource pool PMO is to maintain and provide a cadre of trained and skilled project professionals as they are needed.
Diff: 2
Section: 2.5 Project Management Offices
LO: 2.5: Identify the characteristics of three forms of a project management office (PMO).
Classification: Critical Thinking
AACSB: Reflective Thinking

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88) The solution to external and internal problems that has worked consistently for a group and that is therefore taught to new members as the correct way to perceive, think about, and feel in relation to these problems is known as:
A) Groupthink.
B) Socialization.
C) Organizational culture.
D) A frame of reference.
Answer: C
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

89) Which of the following statements about culture is BEST?
A) Rules of behavior are formally written down so they can be learned as quickly as possible.
B) Rules of behavior are common across the entire organization regardless of how large it is.
C) Rules of behavior, since they are informal, may be accepted or rejected by new employees in the organization.
D) The conversion process a company uses can influence its culture.
Answer: D
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Application
AACSB: Application of Knowledge

90) The tale of Professor Larry Foster and his grade book filled with Fs was told by one generation of faculty to the next with a mix of envy, awe and delight. If there was one thing you could be sure of, there was no grade inflation in his department, whose culture was formed primarily by:
A) Critical incident.
B) Reward system.
C) Rules and procedures.
D) Environment.
Answer: A
Diff: 2
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

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91) The information systems department prides itself on being on the edge of high-tech course offerings. They were the first department to create online classes and the first to battle all of the issues associated with these offerings. When Wally interviewed for the new assistant professor position, he knew that his subcutaneous chip was only a hiring decision away. Corporate culture in this department is probably most affected by:
A) The environment.
B) Technology.
C) Geographical location.
D) Critical incidents.
Answer: B
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Application
AACSB: Application of Knowledge

92) Herb Kelleher of Southwest Airlines frequently takes Southwest flights to check out operations and informally interview passengers to find out how satisfied they are with their service. Herb's attention to customer service and emphasis of it over profits permeates the organization. Southwest's corporate culture is influenced strongly by:
A) Reward systems.
B) Rules and procedures.
C) Key organizational members.
D) Environment.
Answer: C
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Application
AACSB: Application of Knowledge

93) The Luther Post Office closes the customer service window promptly at noon for their lunch break and opens again at one, perhaps a little after if the town's Sonic is busy. The Jones Post Office workers are aghast at this policy, preferring to stagger their lunch breaks so that the customer service window is always attended. It would appear that this difference in culture is primarily driven by:
A) Reward systems.
B) Key organizational members.
C) Critical incidents.
D) Geographical location.
Answer: D
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Application
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94) When grades aren't submitted in a timely fashion, the course management system assigns an incomplete. When a graduating student receives an incomplete in a senior level course, his job offer is withdrawn. When his job offer is withdrawn, the student has to crash at his buddy's apartment. When a student crashes at his buddy's apartment, he has to sleep on the couch. When a student sleeps on the couch, he wakes up covered with cat hair. In an effort to keep students free from cat hair, college leadership demands that all grades are submitted within ten hours of administering a final exam. This college's corporate culture is influenced strongly by:
A) Reward systems.
B) Rules and procedures.
C) Key organizational members.
D) Environment.
Answer: B
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Application
AACSB: Application of Knowledge

95) One way that organizational culture affects project management is by:
A) How the environment is affected by the culture.
B) Where the project occurs and how much it ultimately costs.
C) The level of resources needed to complete the project.
D) How departments are expected to interact with each other.
Answer: D
Diff: 2
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

96) Which of the following does NOT constitute an impact of organizational culture on project management?
A) The way departments interact with each other
B) How much trust exists among project team members
C) How customers perceive mission and vision
D) How committed employees are to goals
Answer: C
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

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97) A failing project becomes a black hole for money, time, and personnel as management continues to pour resources into it despite the growing expectation that it will fail miserably. This phenomenon is known in project management circles as:
A) The vanishing horizon.
B) The Pareto principle.
C) Escalation of commitment.
D) Negative outcome disposition.
Answer: C
Diff: 2
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

98) Which of these is NOT considered a critical contextual factor in project management?
A) Organizational strategy
B) Organizational function
C) Organizational structure
D) Organizational culture
Answer: B
Diff: 2
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

99) Organizational culture can be influenced in a variety of ways, including by reward systems and by key organizational members.
Answer: TRUE
Diff: 2
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

100) Typically, organizational culture consists of formally written rules and guidelines that members can refer to as needed.
Answer: FALSE
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

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101) Technology, environment, rules, and reward systems can *all* contribute to a company's culture.
Answer: TRUE
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

102) Define organizational culture and explain how it is developed.
Answer: Organizational culture is the unwritten rules of behavior or norms that are used to shape and guide behavior, as shared by some subset of organizational members and is taught to all new members of the company. Organizational cultures may form from an organization's technology, environment, and geographical location. An organization's reward system and rules and procedures also influence the culture. Key organizational members and critical incidents may make a strong enough impression to help form organizational culture.
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

103) Compare the organizational culture among the students in this class with a contrasting student organizational culture from another class at this or another institution. Identify key differences in how these two different cultures developed using factors discussed in this book.
Answer: Examples will vary, but the student should identify differences stemming from the technology, environment, geographical location, reward system, rules and procedures, key organizational members and/or critical incidents.
Diff: 1
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Critical Thinking
AACSB: Reflective Thinking

104) What are three ways that organizational culture impacts project management?
Answer: Organizational culture may affect project management in at least four ways. First, it affects how departments are expected to interact and support each other in pursuit of project goals. Second, the culture influences the level of employee commitment to the goals of the project on balance with other, potentially competing goals. Third, the culture influences project planning processes such as the way work is estimated or how resources are assigned to projects. Finally, the culture affects how managers evaluate the performance of project teams and how they view the outcomes of projects.
Diff: 2
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
AACSB: Application of Knowledge

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105) Describe the phenomenon called "escalation of commitment" and where it fits in the lore of organizational culture.
Answer: Escalation of commitment occurs when, in spite of evidence identifying a project as failing, no longer necessary, beset by huge technical or other difficulties, and just an all around bad idea, organizations continue to support it past the point where an objective viewpoint would suggest that it should be terminated. Escalation of commitment that is well known to an entire organization might fit most neatly alongside such culture affecting factors as key organizational members and critical incidents. Although there are a number of reasons for escalation of commitment to a failed decision, one important reason is the unwillingness of the organization to acknowledge failure or its culture working toward blinding key decision makers to the need to take corrective action.
I had a car like this once.
Diff: 2
Section: 2.6 Organizational Culture
LO: 2.6: Understand key concepts of corporate culture and how cultures are formed.
Classification: Concept
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