

M: Management, 6e (Bateman)

Chapter 1 Managing in a Global World

1) The best managers prioritize efficiency over effectiveness.

Answer: FALSE

Explanation: The best managers maintain a clear focus on both effectiveness and efficiency.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

2) The four fundamental management principles include analyzing current situations, determining objectives, choosing corporate, and business strategies, and determining the resources needed to achieve the organization's goals.

Answer: FALSE

Explanation: The fundamental management principles include planning, organizing, leading, and controlling.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

3) Top-level managers are also called tactical managers because they must translate general goals into specific objectives and activities.

Answer: FALSE

Explanation: Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues and emphasize the survival, growth, and overall effectiveness of an organization.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Knowledge Application

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4) A team leader's job is less challenging than frontline and other types of managers' jobs because team leaders always have direct control over team members.

Answer: FALSE

Explanation: In some ways, a team leader's job can be more challenging than frontline and other types of managers' jobs because team leaders often lack direct control (e.g., hiring and firing) over team members. Without this direct control, team leaders need to be creative in how they inspire, motivate, and guide their teams to achieve success.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

5) Lower-level managers who possess technical skills tend to earn less credibility from their subordinates than comparable managers without technical know-how.

Answer: FALSE

Explanation: Lower-level managers who possess technical skills earn more credibility from their subordinates than comparable managers without technical know-how. Thus, newer employees may want to become proficient in their technical area (e.g., human resources management or marketing) before accepting a position as team leader or frontline manager.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

6) The five key elements that make the current business environment different from those of the past include globalization, technological change, the importance of knowledge and ideas, collaboration across organizational boundaries, and an increasingly diverse labor force.

Answer: TRUE

Explanation: Management is a challenge requiring constant adaptation to new circumstances. The five key elements that make the current business landscape different from those of the past are: globalization, technological change, the importance of knowledge and ideas, and collaboration across organizational boundaries, and an increasingly diverse labor force.

Difficulty: 1 Easy

Topic: Adaptive Change; Collaboration

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

7) Social capital is the goodwill stemming from your social relationships.

Answer: TRUE

Explanation: Social capital is the goodwill stemming from your social relationships.

Difficulty: 1 Easy

Topic: Collaboration

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

8) Management is the

A) method of executing, responding, and delivering results in a fast and timely manner.

B) process of working with people and resources to accomplish organizational goals.

C) technique of keeping costs low enough so the company can realize profits and price its products at levels that are attractive to consumers.

D) introduction of new goods and services.

E) method of creating goodwill through social relationships.

Answer: B

Explanation: Management is the process of working with people and resources to accomplish organizational goals.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

9) Planning involves

A) analyzing current situations.

B) monitoring performance.

C) attracting people to the organization.

D) motivating employees.

E) implementing necessary changes.

Answer: A

Explanation: Planning activities include analyzing current situations, anticipating the future, determining objectives, deciding on what types of activities the company will engage, choosing corporate and business strategies, and determining the resources needed to achieve an organization's goals.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

10) _____ is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals.

- A) Staffing
- B) Leading
- C) Organizing
- D) Planning
- E) Controlling

Answer: D

Explanation: Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

11) GlobalMart Inc. periodically reviews the goals of the company. During the process, the managers of the company analyze their current strategies as compared to their competitors' strategies, determine goals that they will pursue, and decide upon specific actions for each area of the company to take in pursuit of these goals. With these actions, the managers are engaged in the management function of

- A) organizing.
- B) planning.
- C) goal coordination.
- D) controlling.
- E) leading.

Answer: B

Explanation: Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals. Planning activities include analyzing current situations, anticipating the future, determining objectives, deciding on what types of activities the company will engage, choosing corporate and business strategies, and determining the resources needed to achieve the organization's goals. In this case, the managers of GlobalMart Inc. are engaged in planning as they analyze their current strategies as compared to their competitors' strategies, determine goals that they will pursue, and decide upon specific actions for each area of the company to take in pursuit of these goals.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Knowledge Application

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12) Flatiron Inc. recently embarked on an effort to increase coordination and cooperation within the company. During the process, the managers of the organization reviewed and specified job responsibilities, grouped jobs into work units, and reallocated resources within the company. The managers were exercising the management function of

- A) planning.
- B) organizing.
- C) leading.
- D) controlling.
- E) budgeting.

Answer: B

Explanation: Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals. Organizing activities include specifying job responsibilities, grouping jobs into work units, marshaling and allocating resources, and creating conditions so that people and things work together to achieve maximum success.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

13) _____ is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals.

- A) Controlling
- B) Planning
- C) Organizing
- D) Leading
- E) Quantifying

Answer: C

Explanation: Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

14) Building a dynamic organization is the goal of which function of management?

- A) planning
- B) organizing
- C) leading
- D) controlling
- E) staffing

Answer: B

Explanation: The organizing function's goal is to build a dynamic organization.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

15) What will be the result when managers use new forms of organizing?

- A) They will build organizations that are flexible and adaptive.
- B) They will create an organization chart by identifying business functions.
- C) They will specify the goals to be achieved and decide in advance the appropriate actions needed to achieve those goals.
- D) They will establish a top-down approach where top executives establish business plans and tell others to implement them.
- E) They will monitor performance and make necessary changes in a timely manner.

Answer: A

Explanation: Now, effective managers use new forms of organizing and view their people as their most valuable resources. They build organizations that are flexible and adaptive, particularly in response to competitive threats and customer needs. This will continue in the future.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

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- 16) As one of the key management functions, leading focuses on a manager's efforts to
- A) mobilize people to contribute their ideas.
 - B) build organizations that are flexible and adaptive.
 - C) make sure goals are met.
 - D) identify opportunities for sustainable advantage.
 - E) build a dynamic organization.

Answer: A

Explanation: Leading is stimulating people to be high performers. Today and in the future, managers must be good at mobilizing and inspiring people to engage fully in their work and contribute their ideas—to use their knowledge and experience in ways never needed or dreamed of in the past.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 17) _____ is a manager's ability to stimulate people to be high performers.
- A) Planning
 - B) Organizing
 - C) Leading
 - D) Controlling
 - E) Monitoring

Answer: C

Explanation: Leading is stimulating people to be high performers. It includes motivating and communicating with employees, individually and in groups.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

18) Neal manages a team of six professionals in a health care company. His subordinates have a wide variety of experiences and skill sets. Effectively _____ his team, Neal regularly seeks to inspire his subordinates to draw upon their various backgrounds in ways never needed or dreamed of in the past.

- A) planning
- B) organizing
- C) leading
- D) controlling
- E) innovating

Answer: C

Explanation: Leading is stimulating people to be high performers. Managers must be good at mobilizing and inspiring people to engage fully in their work and contribute their ideas—to use their knowledge and experience in ways never needed or dreamed of in the past.

Difficulty: 2 Medium

Topic: Leading

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

19) When Alex, the marketing manager of FrontStreet Inc., realized that his plan to increase sales levels was not producing the results he desired, he took quick action to make necessary adjustments. According to this scenario, Alex was exercising the management function of

- A) planning.
- B) organizing.
- C) leading.
- D) controlling.
- E) communicating.

Answer: D

Explanation: Controlling is about monitoring performance and implementing necessary changes as Alex did when he realized sales were not as high as he had planned.

Difficulty: 3 Hard

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

20) _____ involves monitoring performance and making necessary changes.

- A) Budgeting
- B) Planning
- C) Organizing
- D) Leading
- E) Controlling

Answer: E

Explanation: Controlling is about monitoring performance and making necessary changes in a timely manner.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

21) Through careful monitoring of the financial budget of a firm, managers can detect potential problems in reaching their financial goals and take actions to reverse the problem. This is an example of the management function of

- A) planning.
- B) controlling.
- C) leading.
- D) organizing.
- E) budgeting.

Answer: B

Explanation: Controlling is about monitoring performance and implementing necessary changes in a timely manner. By controlling, managers make sure the organization's (financial) resources are being used as planned and that the organization is meeting its financial goals.

Difficulty: 3 Hard

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 22) _____ are key management functions.
- A) Planning, organizing, leading, and controlling
 - B) Marketing, finance, accounting, and production
 - C) Planning, operations, labor, and contracting
 - D) Hiring, training, appraising, and firing
 - E) Marketing, management, finance, and accounting

Answer: A

Explanation: The key management functions include planning, organizing, leading, and controlling.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

23) Sam is a middle-level manager who is known for his efficiency; however, he is not necessarily effective. But, Rachel, another middle-level manager, is known for her effectiveness, rather than her efficiency. Therefore, Rachel is more likely to

- A) achieve goals with minimal waste.
- B) make the best possible use of money.
- C) achieve organizational goals.
- D) make the best possible use of people.
- E) have a clear focus on efficiency.

Answer: C

Explanation: Management is the process of working with people and resources to accomplish organizational goals. Good managers do those things both effectively and efficiently: to be effective is to achieve organizational goals and to be efficient is to achieve goals with minimal waste of resources—that is, to make the best possible use of money, time, materials, and people.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

24) NewTrends, a fashion company, has plans to be the sales leader in women's fashion. To achieve this goal the CEO has analyzed the current situation and determined objectives and resources. What planning activities still need to be completed?

- A) anticipate the future, decide on activities, and choose a business strategy
- B) solicit funders, market the company, and choose a business strategy
- C) market the company, decide on actions, and anticipate the future
- D) evaluate the competitors, solicit funders, anticipate the future
- E) decide on actions, market the company, and solicit funders

Answer: A

Explanation: Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals. Planning activities include analyzing current situations, anticipating the future, determining objectives, deciding on what types of activities the company will engage in, choosing corporate and business strategies and determining the resources needed to achieve the organization's goals.

Difficulty: 3 Hard

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

25) _____ is coordinating the human, financial, physical, informational, and other resources.

- A) Assembling
- B) Organizing
- C) Planning
- D) Grouping
- E) Controlling

Answer: B

Explanation: Organizing is assembling and coordinating the human, physical, informational, and other resources needed to achieve goals.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

26) Leading involves

- A) creating an organization chart by identifying business functions.
- B) establishing reporting relationships.
- C) having a personnel department that administers plans, programs, and paperwork.
- D) stimulating people to be high performers.
- E) dealing directly with customers and clients.

Answer: D

Explanation: Leading is stimulating people to be high performers. It includes motivating and communicating with employees.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

27) Controlling helps

- A) monitor performance and implement necessary changes.
- B) create an organization chart by identifying business functions.
- C) establish reporting relationships.
- D) stimulate people to be high performers.
- E) determine department goals.

Answer: A

Explanation: Controlling is about monitoring performance and making necessary changes in a timely manner. By controlling, managers make sure the organization's resources are being used as planned and the organization is meeting its goals for quality and safety.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

28) To become an effective manager, one should choose _____ of the four management functions and commit one hundred percent.

- A) only one
- B) at least two
- C) between one and three
- D) all
- E) none

Answer: D

Explanation: Managers should devote adequate attention and resources to all four functions. One can be a skilled planner and controller, but if he or she organizes his or her people improperly or fails to inspire them to perform at high levels, he or she will not be realizing his or her potential as a manager.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

29) Which of the following is a result of controlling?

- A) Managers assemble and coordinate the human, financial, physical, informational, and other resources needed to achieve goals.
- B) Managers analyze current situations, anticipate the future, determine objectives, and decide on what types of activities in which the company will engage.
- C) Managers make sure the organization's resources are being used as planned and that the organization is meeting its goals for quality and safety.
- D) Managers motivate workers to come to work and execute top management's plans by doing their jobs.
- E) Managers create an organization chart by identifying business functions and establishing reporting relationships.

Answer: C

Explanation: The fourth function of management, controlling, monitors performance and implements necessary changes in a timely manner. By controlling, managers make sure the organization's resources are being used as planned and that the organization is meeting its goals for quality and safety.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

30) _____ managers are senior executives responsible for the overall management and effectiveness of an organization.

- A) Long-term
- B) Middle
- C) Strategic
- D) Tactical
- E) Short-run

Answer: C

Explanation: Top-level managers, often referred to as strategic managers, focus on the survival, growth, and overall effectiveness of an organization.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

31) Maria, David, and Sylvia are concerned that their company will not survive the current recession. As experienced _____ managers, they are working collaboratively to develop new business strategies and work processes to effectively and efficiently support the company so that it can survive the current economic downturn and thrive in the coming years. Their employees are depending upon them to provide overall management of the company.

- A) frontline
- B) tactical
- C) top-level
- D) matrix
- E) knowledge

Answer: C

Explanation: Top-level managers are senior executives who are responsible for the overall management and effectiveness of the organization. They focus on the survival and growth of the organization.

Difficulty: 3 Hard

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 32) The four levels of managers found in large organizations are
- A) international, national, regional, and local.
 - B) marketing, accounting, human resource, and finance.
 - C) technical, functional, departmental, and organizational.
 - D) planning, coordinating, controlling, and executing.
 - E) top-level, middle-level, frontline, and team leader.

Answer: E

Explanation: The types of managers found at four different organizational levels include: top-level manager, middle-level manager, frontline manager, and team leader.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 33) Top-level managers focus on
- A) the long-term survival of an organization.
 - B) translating goals and objectives into specific activities.
 - C) managing frontline managers.
 - D) supervising nonmanagement employees.
 - E) initiating new daily activities.

Answer: A

Explanation: Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues and emphasize the survival, growth, and overall effectiveness of an organization.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

34) _____ managers are typically concerned with the interaction between an organization and its external environment.

- A) Regional
- B) Top-level
- C) Middle-level
- D) Frontline
- E) Functional

Answer: B

Explanation: Top managers are concerned not only with an organization as a whole but also with the interaction between the organization and its external environment. This interaction often requires managers to work extensively with outside individuals and organizations.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

35) Chief executive officer, president, chief operating officer, and vice president are all titles typical of _____ management.

- A) top-level
- B) tactical level
- C) operational level
- D) functional level
- E) regional level

Answer: A

Explanation: The chief executive officer, chief operation officer, company presidents, and vice presidents are all top-level members of the top management team.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

36) _____ managers are responsible for translating the general goals and plans developed for an organization into more specific activities.

- A) Operational
- B) Functional
- C) Activities
- D) Strategic
- E) Tactical

Answer: E

Explanation: Middle-level managers are sometimes called tactical managers. They are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

37) Middle-level managers are often referred to as _____ managers.

- A) activities
- B) tactical
- C) functional
- D) operational
- E) strategic

Answer: B

Explanation: Middle-level managers are located in an organization's hierarchy below top-level management and above the frontline managers and team leaders. They are sometimes called tactical managers.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

38) As a manager at VTI Corp., Jules spends much of his time coaching young managers and making sure that any required information reaches all the branches for them to be successful. Jules would best be described as a(n)

- A) frontline manager.
- B) tactical manager.
- C) operational manager.
- D) top-level manager.
- E) institutional controller.

Answer: B

Explanation: Tactical managers are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities. The role of the middle manager is to be an administrative controller.

Difficulty: 3 Hard

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

39) _____ managers are lower-level managers who supervise the operational activities of an organization.

- A) Frontline
- B) General
- C) Team
- D) Tactical
- E) Strategic

Answer: A

Explanation: Frontline managers, or operational managers, are lower-level managers who execute the operations of an organization. These managers often have titles such as supervisor or sales manager.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

40) Managers responsible for supervising the operations of an organization are referred to as _____ managers.

- A) strategic
- B) functional
- C) supervisory
- D) operational
- E) tactical

Answer: D

Explanation: Frontline managers, or operational managers, are lower-level managers who execute the operations of an organization. These managers often have titles such as supervisor or sales manager.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

41) Operational managers play a crucial role in an organization because they

- A) provide the link between management and nonmanagement personnel.
- B) are responsible for translating the general goals developed by strategic managers into more specific objectives and activities.
- C) are responsible for facilitating successful team performance.
- D) give feedback on the performance of the top management.
- E) contribute direction and strategy to the organization.

Answer: A

Explanation: Frontline managers, or operational managers, are directly involved with nonmanagement employees, implementing the specific plans developed with middle managers. This role is critical because operational managers are the link between management and nonmanagement personnel.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

42) One of Isaiah's primary activities in his career as a supervisor at Williams Bird Food Inc. is working with his middle manager, Joseph, to introduce new growth opportunities in the business (such as expanding into exotic bird foods) and help the people who actually manufacture the food. Isaiah is most likely a(n)

- A) frontline manager.
- B) tactical manager.
- C) strategic manager.
- D) top-level manager.
- E) administrative controller.

Answer: A

Explanation: Frontline managers are lower-level managers who supervise the operations of the organization. They are directly involved with nonmanagement employees (such as those who are manufacturing the food) and implementing the specific plans developed with middle managers (such as Joseph).

Difficulty: 3 Hard

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

43) Titles such as foreperson, sales manager, shift manager, or supervisor typically belong to _____ managers.

- A) strategic
- B) middle-level
- C) top-level
- D) operational
- E) tactical

Answer: D

Explanation: Frontline or operational managers often have titles such as supervisor or sales manager and are lower-level managers who supervise the operations of an organization.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 44) In smaller entrepreneurial firms and even in more adaptive larger firms, managers
- A) are no longer utilized.
 - B) rely more heavily on technical skills.
 - C) focus primarily on hierarchy.
 - D) have strategic, tactical, and operational responsibilities.
 - E) focus on internal operations only.

Answer: D

Explanation: In small firms—and in those large companies that have adapted to the times—managers have strategic, tactical, and operational responsibilities.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 45) Being a(n) _____ is one of the roles of a manager that involves searching for new business opportunities and initiating new projects to create change.

- A) leader
- B) figurehead
- C) entrepreneur
- D) resource allocator
- E) monitor

Answer: C

Explanation: A manager's decisional role includes being an entrepreneur. It involves searching for new business opportunities and initiating new projects to create change.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

46) In a major announcement at an annual medical conference, Dr. Benjamin Johnson, Research Director of Acme Pharmaceuticals, informs the medical community of a breakthrough in the treatment of diabetes. As _____ for his organization, he answers questions posed to him by his medical research colleagues and members of the press.

- A) disseminator
- B) spokesperson
- C) liaison
- D) figurehead
- E) disturbance handler

Answer: B

Explanation: A manager's informational role includes being a spokesperson. It involves communicating on behalf of the organization about plans, policies, actions, and results.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

47) Alan is the lead attorney representing StoneWork, Inc. and he is in back-and-forth discussions with parties, inside as well as outside the firm, to finalize a contract with J. R. Jones Realty. Alan knows that, in his role as _____, he is making important business decisions for StoneWork.

- A) spokesperson
- B) liaison
- C) leader
- D) negotiator
- E) monitor

Answer: D

Explanation: A manager's decisional role includes being a negotiator. It involves engaging in negotiations with parties inside and outside the organization.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

48) Jim's role as _____ entails his creating a presentation to give to his management team that will communicate the company's new business objectives, and more importantly, how Jim has interpreted them to apply to his business unit.

- A) negotiator
- B) figurehead
- C) disseminator
- D) resource allocator
- E) monitor

Answer: C

Explanation: A manager's informational role includes being a disseminator. This involves sharing and interpreting information between managers and employees.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

49) The president of NuBuild Corp., acting as the corporation's _____, attended the inauguration of a customer's new office complex.

- A) leader
- B) liaison
- C) figurehead
- D) spokesperson
- E) resource allocator

Answer: C

Explanation: A figurehead role is an interpersonal role, which involves performing symbolic duties on behalf of the organization, like greeting important visitors and attending social events. In this case, the president of NuBuild Corp. played the figurehead role by attending the inauguration of a customer's new office complex.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

50) When a customer service manager works to defuse a situation with an irate customer, he or she is assuming a _____ role.

- A) liaison
- B) disturbance handler
- C) negotiator
- D) resource allocator
- E) leader

Answer: B

Explanation: The disturbance handler role involves taking corrective action during crises or other conflicts such as dealing with an irate customer.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

51) Forrest, a project manager, determines the number of employees to be assigned for a certain project. The managerial role being implemented by Forrest is

- A) liaison.
- B) disturbance handler.
- C) negotiator.
- D) resource allocator.
- E) leader.

Answer: D

Explanation: The role of a resource allocator involves providing funding and other resources to units or people; it includes making major organizational decisions. In this case, Forrest executes the role as he decides the number of employees to be assigned for a certain project.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

52) Maintaining a network of outside contacts and alliances that provide information and favors represents a _____ managerial role.

- A) spokesperson
- B) liaison
- C) leader
- D) negotiator
- E) monitor

Answer: B

Explanation: The role of a liaison involves maintaining a network of outside contacts and alliances that provide information and favors.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

53) Frontline managers often have titles such as

- A) supervisor or sales manager.
- B) senior executive.
- C) team leader.
- D) tactical manager.
- E) strategic manager.

Answer: A

Explanation: Frontline managers, or operational managers, are lower-level managers who execute the operations of an organization. These managers often have titles such as supervisor or sales manager.

Difficulty: 1 Easy

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

54) The need for interpersonal and communication skills

- A) fades as a manager moves from the lower levels of an organization into the upper management arena.
- B) fades as a manager moves from the upper management arena to the lower levels of an organization.
- C) is important at every level of management.
- D) fades at the bottom.
- E) is important at the bottom only.

Answer: C

Explanation: Interpersonal skills are important throughout one's career, at every level of management.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

55) A(n) _____ skill is the ability to perform a specialized task that involves a certain method or process.

- A) conceptual
- B) professional
- C) interpersonal
- D) communication
- E) technical

Answer: E

Explanation: A technical skill is the ability to perform a specialized task that involves a certain method or process.

Difficulty: 1 Easy

Topic: Managerial Skills

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

56) _____ represent skills that are crucial to managers.

- A) Selling and public relations, conceptual and decision, and professional
- B) Technical, interpersonal and communication, and conceptual and decision
- C) Professional, technical, and selling and public relations
- D) Conceptual and decision, professional, and technical
- E) Professional, technical, and conceptual and decision

Answer: B

Explanation: The three crucial managerial skills include technical skills, interpersonal and communication skills, and conceptual and decision skills.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

57) Using a particular software program at an expert level, compilation of an accounting statement, and writing advertising copy are all examples of _____ skills.

- A) technical
- B) public relations
- C) communicative
- D) interpersonal
- E) quantitative

Answer: A

Explanation: A technical skill is the ability to perform a specialized task that involves a certain method or process such as using computers, compiling an accounting statement, and writing advertising copy.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

58) Managers will utilize _____ skills with increasing frequency as they rise within an organization.

- A) conceptual and decision
- B) informational
- C) technical
- D) professional
- E) negotiation

Answer: A

Explanation: As managers acquire greater responsibility, they must exercise their conceptual and decision skills with increasing frequency.

Difficulty: 1 Easy

Topic: Decision-making Process

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

59) The senior managers at Rightwell Studios Inc. recognized a lack of employee enthusiasm about the new website. There was a fair amount of infighting and accusations of who was responsible for the layout, given that the firm is considered to be highly competent in design and production. Millie, a manager, got the team together and engaged them in a lively discussion to determine how to change the website so that it reflected more of Rightwell's unique design ability. As the meeting wound down, each team member volunteered to take on a part of the project to fix the site. The ability to identify this problem and resolve it is an effective use of _____ skills.

- A) conceptual and decision
- B) informational
- C) technical
- D) professional
- E) negotiation

Answer: A

Explanation: As managers acquire greater responsibility, they must exercise their conceptual and decision skills with increasing frequency. In this example, Millie identified the problem of a poorly designed website. She resolved the issues with a lively discussion, ending with team members volunteering to resolve the problems with the site.

Difficulty: 3 Hard

Topic: Decision-making Process

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

60) Listening to employee suggestions, gaining support for organizational objectives, and fostering an atmosphere of teamwork are all considered _____ skills.

- A) technical
- B) interpersonal and communication
- C) diagnostic
- D) professional
- E) conceptual

Answer: B

Explanation: Interpersonal and communication skills are people skills; they are the ability to lead, motivate, and communicate effectively with others. They influence a manager's ability to work well with people.

Difficulty: 2 Medium

Topic: Decision-making Process

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

61) Which of the following statements exemplifies the importance of managerial skills?

- A) Obtaining high performance from people in the organization is easy because of the authority managers will continue to have over knowledge workers.
- B) Technical skills are most important after becoming a top-level manager.
- C) The importance of the various types of managerial skills is consistent across all managerial levels.
- D) Conceptual and decision skills become less important than technical skills as a manager rises higher in the company.
- E) Interpersonal skills are important throughout a manager's career, at every level of management.

Answer: E

Explanation: Interpersonal skills are important throughout a manager's career, at every level of management.

Difficulty: 2 Medium

Topic: Decision-making Process

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

62) _____ is the set of skills composed of understanding oneself, managing oneself, and dealing effectively with others.

- A) Self-reliance
- B) Social capital
- C) Emotional intelligence
- D) Career management
- E) Social management

Answer: C

Explanation: Good, successful managers often demonstrate a set of interpersonal skills known collectively as emotional intelligence (or EQ). EQ combines understanding oneself, managing oneself, and dealing effectively with others.

Difficulty: 1 Easy

Topic: Managerial Skills

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

63) Jacob has built up a wide network of contacts, clients, and local business neighbors since moving to Central City five years ago. Throughout his home-based marketing career, he has regularly and frequently networked with these business associates online, by phone, and in person. As he considers leaving his marketing career to become an owner/manager of a local business, he will rely upon the _____ that he has developed with these individuals to ensure a successful transition to a new career.

- A) knowledge management
- B) competitive advantages
- C) social capital
- D) emotional intelligence
- E) figurehead skills

Answer: C

Explanation: Social capital is the goodwill stemming from one's social relationships. Social capital aids one's career success, compensation, employment, entrepreneurship, and relationships with others.

Difficulty: 3 Hard

Topic: Social Capital

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

64) An individual _____ is a component of emotional intelligence.

- A) making good decisions
- B) dealing with power plays made by others
- C) understanding the shortcomings of those people he or she works with
- D) advising others how to stay happy at work
- E) helping others understand that he or she is correct

Answer: A

Explanation: Emotional intelligence includes the skills of understanding oneself (including strengths and limitations), managing oneself (dealing with emotions, making good decisions, seeking and using feedback, exercising self-control), and dealing effectively with others (listening, showing empathy, motivating, leading, and so on).

Difficulty: 2 Medium

Topic: Decision-making Process

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

65) _____ is among the necessary skills of emotional intelligence.

- A) Encouraging coercion among employees
- B) Showing empathy
- C) Advising others how to stay happy at work
- D) Maintaining the status quo
- E) Avoiding constructive criticism

Answer: B

Explanation: One of the skill sets of emotional intelligence involves working effectively with others, listening, showing empathy, motivating, and leading.

Difficulty: 1 Easy

Topic: Managerial Skills

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 66) Which of the following scenarios does NOT demonstrate an emotional intelligence skill?
- A) Brian knows that he has exceptional skills with numbers, but could use improvement in his communication skills.
 - B) Donella had a difficult time getting to work this morning, and when presented with a frustrating situation with her assistant, took a deep breath and separated her difficult morning from the situation at hand.
 - C) Bill's sales manager Gus has not been performing at his usual best. Bill arranges a private meeting with Gus to ask Gus how he is doing and to find out if anything is wrong in Gus's personal life.
 - D) Ahmed is focused on the sales manager's attitude at work and spends his evenings thinking about how he can change the manager's outlook.
 - E) Kyoshi had a terrible drive in to work. There was construction on the road and the lanes were reduced. This made him late for a very important meeting. After parking, he listened to one more song on the radio and refocused.

Answer: D

Explanation: Good, successful managers often demonstrate a set of interpersonal skills known collectively as emotional intelligence (or EQ). Brian is demonstrating the skill of understanding himself. Donella is demonstrating the ability to manage herself. Bill is demonstrating an ability to work effectively with others by listening to Gus. Kyoshi is showing he knows how to manage himself by taking time to refocus. Ahmed is *not* demonstrating an EQ skill, but is trying to solve someone else's perceived problem.

Difficulty: 3 Hard

Topic: Decision-making Process

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 67) Emotional intelligence involves the skills of all of the following EXCEPT
- A) understanding oneself.
 - B) managing oneself.
 - C) working effectively with others.
 - D) knowing others' strengths and limitations.
 - E) making good decisions.

Answer: D

Explanation: Emotional intelligence includes the skills of understanding oneself (including strengths and limitations), managing oneself (dealing with emotions, making good decisions, seeking and using feedback, exercising self-control), and dealing effectively with others (listening, showing empathy, motivating, leading, and so on).

Difficulty: 1 Easy

Topic: Managerial Skills

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

68) Which of the following examples illustrates a manager with emotional intelligence?

- A) Maya can maintain the status quo.
- B) Ella can identify her team members' strengths and weaknesses.
- C) Susan can exercise self-control.
- D) Veronica has the ability to manage her followers' reactions.
- E) Prudence has the ability to ignore constructive criticism.

Answer: C

Explanation: One of the skill sets of emotional intelligence includes managing oneself—dealing with emotions, making good decisions, seeking feedback, and exercising self-control.

Difficulty: 2 Medium

Topic: Emotional Intelligence

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

69) _____ is one of the key elements that makes the current business landscape different from those of the past.

- A) Centralization
- B) Technological change
- C) Quality
- D) Cost competitiveness
- E) Speed

Answer: B

Explanation: The five key elements that make the current business landscape different from those of the past include globalization, technological change, the importance of knowledge and ideas, collaboration across organizational boundaries, and an increasingly diverse labor force.

Difficulty: 1 Easy

Topic: Collaboration

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 70) Which of the following statements is true of globalization?
- A) It fails to involve smaller firms.
 - B) It encourages the maintenance of the status quo.
 - C) It does not create threats to anybody.
 - D) It does not allow employees to provide services although most economies have become very efficient at producing physical goods.
 - E) It occurs through cross-border partnerships.

Answer: E

Explanation: Globalization may occur via cross-border partnership.

Difficulty: 2 Medium

Topic: Globalization

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 71) Which of the following statements about the Internet is true?
- A) The Internet always makes things easier.
 - B) The Internet is a virtual marketplace and speeds up globalization.
 - C) The Internet's impact is felt only at the level of businesses as a whole and not by individual employees.
 - D) The Internet does not create threats as competitors capitalize on new developments.
 - E) The Internet compels people to respond to e-mail messages immediately.

Answer: B

Explanation: The Internet fulfills many business functions. It is a virtual marketplace, a means to sell goods and services, a distribution channel, an information service, and more. It speeds up globalization. Managers can see what competitors, suppliers, and customers are doing on the other side of the world.

Difficulty: 2 Medium

Topic: Technology

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

72) _____ is the goodwill stemming from social relationships.

- A) Social empathy
- B) Social capital
- C) Emotional intelligence
- D) Emotional capital
- E) Empathetic goodwill

Answer: B

Explanation: Goodwill stemming from social relationships is called social capital.

Difficulty: 1 Easy

Topic: Social Capital

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

73) _____ is the set of practices aimed at discovering and harnessing an organization's intellectual resources, fully utilizing the intellects of the organization's people.

- A) Knowledge management
- B) Collaboration
- C) Innovation
- D) Service management
- E) Communication management

Answer: A

Explanation: Knowledge management is the set of practices aimed at discovering and harnessing an organization's intellectual resources, fully utilizing the intellects of the organization's people.

Difficulty: 1 Easy

Topic: Managerial Skills

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

74) Which of the following statements about collaboration is true?

- A) Collaboration occurs only within the boundaries of an organization.
- B) It is unrealistic to think that a company can collaborate with its customers.
- C) Disclosing one's plans by collaborating with the potential investors of a firm is not a good idea.
- D) Collaboration supports knowledge management and vice versa.
- E) Collaborating with people outside an organization is impossible because of the risk of disclosing trade secrets.

Answer: D

Explanation: One of the most important processes of knowledge management is to ensure that people in different parts of an organization collaborate effectively with one another. This requires productive communication among different departments, divisions, or other subunits of the organization.

Difficulty: 2 Medium

Topic: Collaboration

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

75) Technology both complicates things and creates new opportunities. The challenges come from

- A) the rapid rate at which communication changes.
- B) the lack of transportation.
- C) inaccurate information.
- D) unchanging technologies.
- E) the limit on new opportunities.

Answer: A

Explanation: The Internet's impact on globalization is only one of the ways that technology is vitally important in the ever-changing business world. Technology both complicates things and creates new opportunities. The challenges come from the rapid rate of changes in communication, transportation, and information and other technologies.

Difficulty: 2 Medium

Topic: Technology

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

76) As stated in the text, all of the following statements are effects of the rise of the Internet, EXCEPT

- A) Managers are now mobile and able to be connected 24 hours a day, 7 days a week.
- B) The Internet fulfills many business functions.
- C) The rate of globalization has sped up, allowing managers to see what competitors are doing worldwide.
- D) It eases the tensions in the work-life area because it allows managers to work from home, or even on vacation.
- E) The Internet spurs the innovation of new products, such as smartphones and online banking services.

Answer: D

Explanation: The Internet has allowed managers to be connected 24/7, sped up globalization, facilitated the design of new products, as well as providing access to information. Although, it does allow for managers to work from home or on vacation, it might actually produce work-life tension.

Difficulty: 2 Medium

Topic: Technology

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

77) Knowledge management is a set of practices aimed at

- A) discovering the competition's intellectual resources.
- B) harnessing the competition's intellectual resources.
- C) harnessing an organization's intellectual resources.
- D) utilizing the intellects of the other organization's people.
- E) implementing organizational changes.

Answer: C

Explanation: Knowledge management is the set of practices aimed at discovering and harnessing an organization's intellectual resources, fully utilizing the intellects of the organization's people.

Difficulty: 1 Easy

Topic: Managerial Skills

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

78) As the success of modern business so often depends on the knowledge used for innovation and the delivery of services, organizations need to manage that

- A) knowledge.
- B) success.
- C) resource.
- D) innovation.
- E) communication.

Answer: A

Explanation: As the success of modern business so often depends on the knowledge used for innovation and the delivery of services, organizations need to manage that knowledge.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

79) Collaboration can occur

- A) between two organizations, but not internally.
- B) within but not outside the organization.
- C) outside the organization only.
- D) with customers.
- E) among managers only.

Answer: D

Explanation: One of the most important processes of knowledge management is to ensure that people in different parts of the organization collaborate effectively with one another.

Difficulty: 2 Medium

Topic: Collaboration

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

80) Creating outstanding products and services can start with involving _____ in company decisions.

- A) customers
- B) executives
- C) managers
- D) employees
- E) owners

Answer: A

Explanation: Customers can be collaborators. Creating outstanding products and services can start with involving customers in company decisions.

Difficulty: 2 Medium

Topic: Collaboration

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

81) _____ is the introduction of new goods and services.

- A) Collaboration
- B) Standardization
- C) Innovation
- D) Adaptation
- E) Saturation

Answer: C

Explanation: Innovation is the introduction of new goods and services. One's firm must adapt to changes in consumer demand and to new competitors.

Difficulty: 1 Easy

Topic: Innovation

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

82) _____ is the excellence of your product.

- A) Innovation
- B) Quality
- C) Quantity
- D) Centralization
- E) Customization

Answer: B

Explanation: In general, quality is the excellence of your product or service.

Difficulty: 1 Easy

Topic: Competitive Environment; Quality

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

83) Service refers to the

- A) speed and dependability with which an organization delivers what customers want.
- B) technique of keeping costs low to achieve profits and to be able to offer prices that are attractive to consumers.
- C) practice aimed at discovering and harnessing an organization's intellectual resources.
- D) technique of establishing goodwill through social relationships.
- E) skill of understanding oneself, managing oneself, and dealing effectively with others.

Answer: A

Explanation: Service refers to the speed and dependability with which an organization delivers what customers want.

Difficulty: 2 Medium

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

84) Choose the correct statement regarding quality.

- A) Quality can be measured in terms of product performance, customer service, and reliability.
- B) Quality cannot be improved continuously.
- C) Quality refers to keeping costs low enough so the company can realize profits and price its products at levels that are attractive to consumers.
- D) Quality refers to goodwill stemming from one's social relationships.
- E) Quality is described as rapid execution, response, and delivery of results.

Answer: A

Explanation: Quality can be measured in terms of product performance, customer service, reliability (avoidance of failure or breakdowns), conformance to standards, durability, and aesthetics.

Difficulty: 2 Medium

Topic: Quality

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

85) Cost competitiveness means that one

- A) sacrifices quality to keep costs low.
- B) carefully monitors costs mainly during the setting up of business.
- C) prices his or her products or services at a level attractive to consumers.
- D) manages his or her costs by maintaining the status quo.
- E) offers a high-quality product at a higher price.

Answer: C

Explanation: Cost competitiveness means keeping costs low enough so that the company can realize profits and price its products (goods or services) at levels that are attractive to consumers.

Difficulty: 2 Medium

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

86) Tommy, engineering manager at APC Systems, Inc., is struggling to maintain a competitive advantage in APC's marketplace. He wants to hire and retain the best staff that he can, but the best staff command high salaries. Tommy knows that high staff salaries can erode his company's profitability. But passing along these higher costs to his clients means they will start doing less business with higher-priced APC and more business with Tommy's lower-priced competitors.

Tommy is struggling to

- A) collaborate.
- B) be technologically innovative.
- C) provide quality service.
- D) be cost competitive.
- E) achieve zero defects.

Answer: D

Explanation: Cost competitiveness means keeping costs low to achieve profits and to be able to offer prices that are attractive to customers.

Difficulty: 3 Hard

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

87) Which of the following statements about the sources of competitive advantage is true?

- A) The best managers and companies deliver all five competitive advantages.
- B) Managing the sources of competitive advantage is a zero-sum game where one source improves at the expense of the other.
- C) It is possible to compete without cutting costs and offering attractive prices.
- D) Outsourcing certain functions is likely to decrease innovation.
- E) The faster the product is provided the more innovation suffers.

Answer: A

Explanation: The best managers and companies deliver on all five sources of competitive advantage.

Difficulty: 2 Medium

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

88) Amazon is not necessarily known for its development of new products. However, Amazon has transformed the way that products are purchased and delivered. Thus, Amazon has leapfrogged its competition through its

- A) quality.
- B) innovation.
- C) social capital.
- D) dissemination.
- E) collaboration.

Answer: B

Explanation: Innovation is the introduction of new goods and services. Sometimes, the most important innovation is not the product itself but the way it is delivered.

Difficulty: 3 Hard

Topic: Innovation

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

89) Innovation is a strategic goal in organizations because it

- A) does not come from people.
- B) comes from people.
- C) does not give a competitive advantage.
- D) cannot be managed properly.
- E) exists in a vacuum.

Answer: B

Explanation: Innovation comes from people like other sources of competitive advantage. It must be a strategic goal, and it must be managed properly.

Difficulty: 2 Medium

Topic: Innovation

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

90) Because products _____, a firm must adapt to new competitors and to consumer demands.

- A) will sell forever
- B) do not sell forever
- C) that are made well last forever
- D) with name brands are the only ones to sell forever
- E) that are tried and true are the best sellers

Answer: B

Explanation: A firm must adapt to changes in consumer demand and to new competitors. Products don't sell forever; in fact, they don't sell for nearly as long as they used to because so many competitors are introducing so many new products all the time.

Difficulty: 1 Easy

Topic: Adaptive Change

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

91) Quality is the excellence of one's product, and this includes all of the following EXCEPT

- A) lack of defects in the goods of a company.
- B) reliability of the services.
- C) short-term dependability of the company.
- D) attractiveness of a product.
- E) zero-defects standards.

Answer: C

Explanation: Quality is the excellence of one's product, and this includes a lack of defects in the goods, the reliability of a company's services, and the attractiveness of a product.

Difficulty: 1 Easy

Topic: Quality

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

92) Total quality includes all of the following EXCEPT

- A) preventing defects before they occur.
- B) achieving zero defects in manufacturing.
- C) designing products for quality.
- D) solving defect issues after they occur.
- E) living a philosophy of continuous improvement.

Answer: D

Explanation: Total quality includes preventing zero defects before they occur, achieving zero defects in manufacturing, and designing products for quality. The goal is to solve and eradicate from the beginning all quality-related problems and to live a philosophy of continuous improvement in the way the company operates.

Difficulty: 1 Easy

Topic: Quality

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

93) When shopping for goods and services, customers weigh their options and purchase based on the

- A) cheapest cost.
- B) availability of the item.
- C) physical goods and the quality of services.
- D) desire to have the goods or services.
- E) rating on Angie's list or Yelp.

Answer: C

Explanation: Quality is the excellence of one's product or service. The importance of quality and the standards for acceptable quality have increased dramatically. Customers now demand high-quality goods and services, and often they will accept nothing less.

Difficulty: 2 Medium

Topic: Quality

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

94) Sonya manages a specialized environmental consulting practice, GreenSolutions, within a large multinational corporation. Client feedback obtained in the past 12 months indicates that GreenSolutions' business is on the decline. Sonya decides to implement various changes within her practice to improve GreenSolutions' service quality. One of the key elements of these changes will be to refocus her staff on

- A) making it easy and enjoyable for clients to experience a service.
- B) occasionally meeting the needs of clients.
- C) establishing short-term relationships.
- D) giving clients what they want when GreenSolutions wants.
- E) measuring product performance.

Answer: A

Explanation: An important dimension of service is making it easy and enjoyable for customers to experience a service or to buy and use products.

Difficulty: 2 Medium

Topic: Quality

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

95) _____ often separates the winners from the losers in business.

- A) Service
- B) Quality
- C) Speed
- D) Technology
- E) People

Answer: C

Explanation: In the modern business environment, speed—rapid execution, response, and delivery of results—often separate the winners from the losers.

Difficulty: 1 Easy

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

96) Cost competitiveness means pricing a firm's products

- A) lower than all competitors' products.
- B) higher than all competitors' products.
- C) equal to all competitors' products.
- D) low enough to profit.
- E) high enough to make the investors happy.

Answer: D

Explanation: Cost competitiveness means keeping costs low enough so the company can realize profits and price its products (goods or services) at levels that are attractive to consumers.

Difficulty: 1 Easy

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

97) Leading involves

- A) mobilizing people to engage fully in their work.
- B) inspiring people to contribute their ideas.
- C) both mobilizing and inspiring people to engage fully in their work and contributing their ideas.
- D) motivating workers to come to work and execute top management's plans.
- E) analyzing day-to-day situations and involving workers in all decisions.

Answer: C

Explanation: Previously, the leading function described how managers motivate workers to come to work and execute top management's plans by doing their jobs. Today and in the future, managers must be good at mobilizing and inspiring people to engage fully in their work and contribute their ideas, to use their knowledge and experience in ways never needed or dreamed of in the past.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

98) A _____ serves as the spokesperson and champion for a work group dealing with external stakeholders.

- A) tactical manager
- B) team leader
- C) top-level manager
- D) resource allocator
- E) senior executive

Answer: B

Explanation: Beyond their internally focused responsibilities, team leaders also need to represent the team's interests with other teams, departments, and groups within and outside of the organization. In this sense, the team leader serves as the spokesperson and champion for the team when dealing with external stakeholders.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

99) Carl's department has been introducing new goods and services on a rapid-fire basis over the past two years. However, business is down, largely because customer feedback on the usefulness, reliability, and durability of the new goods and services is negative. Carl's division manager, Vince, reviews the situation and concludes that the innovation of Carl's department is good; however, _____ is poor.

- A) responsiveness
- B) quality
- C) marketing
- D) speed
- E) cost competitiveness

Answer: B

Explanation: Innovation is the introduction of new goods and services. Quality is the excellence of one's product or service.

Difficulty: 3 Hard

Topic: Quality

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

100) The CEO said, "Every six months or so, my senior management team and I meet to discuss the goals that will be achieved over the next year, three years, and beyond. We then make sure we are clear on who will take responsibility to see that appropriate actions are undertaken to achieve our goals within the time frame we set." The CEO is describing the management function of

- A) planning.
- B) organizing.
- C) leading.
- D) controlling.
- E) decision making.

Answer: A

Explanation: Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals.

Difficulty: 2 Medium

Topic: Planning

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

101) "Recently, I spent a great deal of time looking at how to define jobs to most efficiently utilize the employees in those jobs," said Bill Plymouth, CEO of Baker Manufacturing. "And now I need managers to be responsible for the various job groupings." The CEO is describing the management function of

- A) planning.
- B) organizing.
- C) leading.
- D) controlling.
- E) decision making.

Answer: B

Explanation: Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals.

Difficulty: 2 Medium

Topic: Organizing

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

102) "As CEO, I maintain a big-picture view of how we are performing as a company, determining what changes we need to make if we begin deviating from our plans, and ensuring we meet our goals for quality and safety." The CEO is describing the management function of

- A) planning.
- B) organizing.
- C) leading.
- D) controlling.
- E) decision making.

Answer: D

Explanation: Controlling monitors performance and implements necessary changes. By controlling, managers make sure the organization's resources are being used as planned and that the organization is meeting its goals for quality and safety.

Difficulty: 2 Medium

Topic: Controlling

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

103) "As CEO, I must mobilize, inspire, and stimulate my management team, as well as the entire staff, to continually perform at high levels. I seek to empower my staff through communication and motivation." The CEO is describing the management function of

- A) planning.
- B) organizing.
- C) leading.
- D) controlling.
- E) decision making.

Answer: C

Explanation: Leading is stimulating people to be high performers. It includes motivating and communicating with employees, individually and in groups.

Difficulty: 2 Medium

Topic: Leading

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

104) "I'm sorry to tell you that four employees from our division were laid off today," said Bob Knowles, division manager, to his assembled staff. "And a total of 25 employees were laid off corporatewide. No further staff reductions are planned, and we expect the corporation's financial performance to remain on plan." When the manager notifies his employees of these developments and plans, he is performing in the role of

- A) leader.
- B) liaison.
- C) disseminator.
- D) spokesperson.
- E) disturbance handler.

Answer: D

Explanation: A spokesperson speaks on behalf of the organization about plans, policies, actions, and results.

Difficulty: 2 Medium

Topic: Managerial Roles

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

105) "Quick, Mr. Simmons, Teresa is in the lobby, shouting at a customer!" said Lonnie. Rushing to intervene, Ralph Simmons demanded that Teresa return to her office immediately. "Mr. Crenshaw, I'm very sorry. Please, allow me to escort you to our executive suite, and I will straighten this out." When the manager deals with an angry employee and an insulted customer, he is performing in the role of

- A) monitor.
- B) negotiator.
- C) disturbance handler.
- D) resource allocator.
- E) liaison.

Answer: C

Explanation: A disturbance handler is one who takes corrective action during crises or other conflicts.

Difficulty: 2 Medium

Topic: Managerial Roles

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

106) "I must attend the fundraiser," said Phyllis Blasingame, Senior Vice President of Marketing. "One of our key clients is sponsoring the event for a worthy cause, and our firm should be represented by a senior member of our management team." When the manager performs symbolic duties on behalf of her organization, she is performing in the role of

- A) liaison.
- B) figurehead.
- C) monitor.
- D) entrepreneur.
- E) resource allocator.

Answer: B

Explanation: A figurehead performs symbolic duties on behalf of the organization, like greeting important visitors and attending social events.

Difficulty: 2 Medium

Topic: Managerial Roles

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

107) Labyrinth Inc. is a new, very successful, brand of organic clothing recently introduced globally. The company is unique in that it has collaborated with its suppliers and potential customers to bring the clothing to market. Labyrinth's founders have always focused on being efficient managers. What is the best advice you should give them, given the quick success they have had with Labyrinth?

- A) Efficiency is the only key to their continued success.
- B) Now it is time for them to consider only effectiveness because they clearly have efficiency under control and this is not likely to change in the future.
- C) To continue their success, they should maintain a clear focus on both effectiveness and efficiency, especially while their company is experiencing such a high growth in sales.
- D) They should maintain the status quo without implementing any changes to continue making quick sales.
- E) As top-level managers, the best action plan for them is to begin to minimize collaboration with customers and suppliers because they have proven themselves.

Answer: C

Explanation: Management is the process of working with people and resources to accomplish organizational goals. Good managers do those things both effectively and efficiently.

Difficulty: 3 Hard

Topic: Management

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

108) Janet mused to herself, "It has taken over 30 years, but I've finally been named CEO of a major firm. Now, I can concentrate on what I really want to do as a(n) _____ manager, to focus on the survival, growth, and overall effectiveness of our firm."

- A) tactical
- B) strategic
- C) middle
- D) external
- E) internal

Answer: B

Explanation: Top-level managers, often referred to as strategic managers, focus on the survival, growth, and overall effectiveness of an organization.

Difficulty: 3 Hard

Topic: Management Levels

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

109) "A new boss from outside the industry won't be able to train us to perform specialized tasks involving our particular methods and processes, or to evaluate how well we were performing these tasks. Would she have the necessary _____?" asked Biff. But, in fact, Jenna already knew or quickly learned these and proved herself credible.

- A) conceptual and decision skills
- B) selling skills
- C) language fluency
- D) technical skills
- E) negotiating skills

Answer: D

Explanation: Technical skills include the ability to perform a specialized task involving a particular method or process.

Difficulty: 3 Hard

Topic: Managerial Skills

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

110) Randall Petrie, Vice President of Production, said, "Stu, my employees have been manufacturing the same products for two years without a new product being introduced. Products don't sell forever, especially since globalization and technological advances have accelerated the pace of change. I'm concerned that, without _____, we will wither and die as an organization."

- A) planning
- B) innovation
- C) quality
- D) re-organizing
- E) cost competitiveness

Answer: B

Explanation: Innovation is the introduction of new goods and services.

Difficulty: 3 Hard

Topic: Innovation

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

111) Dave is surprised one day to learn that the parts that he has ordered from a small local supplier are delayed. He immediately calls his supplier, and the supplier admits that his shop is overbooked with orders, not only from Dave's business but also from new customers in China. As Dave realizes that his small U.S.-based business is competing for shop space with companies in China, he faces the management challenge involved with

- A) globalization.
- B) technological change.
- C) the importance of knowledge and ideas.
- D) collaboration across organizational boundaries.
- E) an increasingly diverse labor force.

Answer: A

Explanation: Today's business landscape differs from that in the past, in part due to globalization. Clients and suppliers increasingly operate on a global scale.

Difficulty: 3 Hard

Topic: Globalization

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

112) DefenseSolutions is updating its automated contracting/ordering system. Kent Truvalle, CEO of Defense Supply Corporation, told his chief information officer, "Travis, you must lead an effort to re-engineer our computer infrastructure to remain compatible with that of DefenseSolutions. This will be a complex effort but, if we can get this done before our competitors can, we will pick up a lot of new business worldwide. That's the nature of _____—it complicates things and creates opportunities."

- A) planning
- B) technological change
- C) emotional intelligence
- D) social capital
- E) controlling

Answer: B

Explanation: Today's business landscape differs from that in the past, in part due to technological change. Technology both complicates things and creates opportunities.

Difficulty: 3 Hard

Topic: Technological Change

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

113) The unique ideas and products that WindStorm Group has patented provide a significant advantage to its business because none of its competitors are able to offer them. Because WindStorm's CEO recognizes the _____, he has authorized development of practices to discover and harness his organization's intellectual resources.

- A) impact of globalization
- B) value of social capital
- C) importance of knowledge management
- D) importance of collaborating across organizational boundaries
- E) value of an increasingly diverse labor force

Answer: C

Explanation: Today's business landscape differs from that in the past, in part due to the importance of knowledge and ideas. Knowledge management is the set of practices aimed at discovering and harnessing an organization's intellectual resources—fully utilizing the intellect of the organization's people.

Difficulty: 3 Hard

Topic: Knowledge Management

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

114) During an intense six-month contract negotiation, Colton developed a strong working relationship with his client, Art, an outside vendor. Because of their professional bonding, Colton and Art were able to openly explore and constructively hammer out agreements on very tough contract issues. The resulting contract was far superior to what either Colton or Art might have hoped for six months earlier and was a good example of

- A) globalization.
- B) technological change.
- C) the importance of knowledge and ideas.
- D) collaboration across organizational boundaries.
- E) an increasingly diverse labor force.

Answer: D

Explanation: Today's business landscape differs from that in the past, in part due to the collaboration across organizational boundaries, both within an organization and outside of the organization.

Difficulty: 2 Medium

Topic: Collaboration

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

115) Raj Reddy, Vice President of Human Resources for Grandy Supply Corporation, is finding that competition for human talent is becoming fiercer. He has implemented creative solutions to leverage diversity of the labor force to the benefit of his organization. For example, Raj has found that _____ allows him to supplement his available staff, particularly during times of work overload.

- A) turning down new work orders
- B) hiring illegal immigrants
- C) slowing down production
- D) hiring older workers on a part-time basis
- E) decreasing time off for lunch and other breaks

Answer: D

Explanation: The increase in gender, racial, age, and ethnic diversity in the workplace will accentuate the many differences in employees' values, attitudes toward, work and norms of behavior. Effective managers will find ways to connect with diverse members of the work force, for example, older or previously retired workers, so as to broaden their staffing reach.

Difficulty: 2 Medium

Topic: Diversity

Learning Objective: 01-04 Summarize the major challenges facing managers today.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

116) Briefly describe each of the four key management functions.

Answer: The four core functions of management are planning, organizing, leading, and controlling. Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals. Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals. Leading is stimulating people to be high performers. It includes motivating and communicating with employees, individually and in groups. Controlling is about monitoring performance and making necessary changes in a timely manner. By controlling, managers make sure the organization's resources are being used as planned and the organization is meeting its goals for quality and safety.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

117) Differentiate between the various management levels in an organization.

Answer: Top-level managers are the organization's senior executives and are responsible for its overall management. Middle-level managers are located in the organization's hierarchy below top-level management and above the frontline managers and team leaders. Frontline managers, or operational managers, are lower-level managers who execute the operations of the organization. A relatively new type of manager, known as a team leader, engages in a variety of behaviors to achieve team effectiveness.

Difficulty: 2 Medium

Topic: Functional Structure

Learning Objective: 01-02 Understand what managers at different organizational levels do.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

118) At which level of management will one find conceptual and decision skills most utilized? Why?

Answer: Conceptual and decision skills involve the ability to identify and resolve problems for the benefit of the organization and everyone concerned. Managers use these skills when they consider the overall objectives and strategy of the firm, the interactions among different parts of the organization, and the role of the business in its external environment. Conceptual and decision skills become very important as one rises higher in the company and occupies positions in the middle and top manager ranks.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-03 Define the skills needed to be an effective manager.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

119) What does a global marketplace mean to an enterprise, in terms of marketing, distribution, and staffing?

Answer: Answers will vary. For marketing, answers will likely address technological factors (for example, the Internet for promotion), language barriers, home office travel costs vs. in-country branch office costs, legal issues (for example, contracting for goods/services between entities in different countries with country-specific laws), price competition, etc. For distribution, answers will likely address third-party shippers/brokers, transfer of goods across country borders (for example, customs requirements), currency issues, etc. For staffing, answers will likely address recruiting via the Internet, benefits of diversity of staff, language issues, etc.

Difficulty: 2 Medium

Topic: Global Environment

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

120) List and explain each of the five sources of competitive advantage.

Answer: The five sources of competitive advantage include: innovation, quality, service, speed, and cost competitiveness. Innovation is the introduction of new goods and services. A firm must adapt to changes in consumer demand and to new competitors. Quality is the excellence of one's product or service. Quality can be measured in terms of product performance, customer service, reliability (avoidance of failure or breakdowns), conformance to standards, durability, and aesthetics. In a competitive context, service means giving customers what they want or need, when and where they want it. So, service is focused on continually meeting the changing needs of customers to establish mutually beneficial long-term relationships.

Difficulty: 2 Medium

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

121) Explain why customers demand increasingly high-quality goods and services.

Answer: Answers will vary. Topics addressed might include increased global competition, rapid enhancements in technology, "threat" to expose low-quality goods and services via social media, etc.

Difficulty: 3 Hard

Topic: Quality

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

122) Explain how one gains customer loyalty.

Answer: To gain and maintain customer loyalty, managers must deliver the fundamental success drivers: innovation, quality, service, speed, and cost competitiveness. Customer loyalty will lead to a competitive advantage when a company is doing better than a competitor at providing value to customers.

Difficulty: 2 Medium

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

123) Describe what the work of quality gurus like W. Edwards Deming and J. M. Juran convinced other managers to do.

Answer: W. Edwards Deming, J. M. Juran, and other quality gurus convinced managers to take a more complete approach to achieving total quality. This includes preventing defects before they occur, achieving zero defects in manufacturing, and designing products for quality. The goal is to solve and eradicate from the beginning all quality-related problems, and to live a philosophy of continuous improvement in the way a company operates.

Difficulty: 2 Medium

Topic: Quality

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

124) Explain, using two examples, how continuing enhancements in technology can result in delivery of products and services both faster and better.

Answer: Answers will vary. Topics addressed might include: ability of apps and the Internet to allow faster and more accurate ordering, engineering, and communications with customer; presence of on-line forums and reviews to encourage product/service providers to improve their performance; ability of new technologies (e.g., robotics and 3-D printing) to manufacture products at less cost, with greater precision, more safely, and more consistently; etc.

Difficulty: 3 Hard

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

125) Why is it important to manage one's costs?

Answer: Managing one's costs and keeping them down requires being efficient, accomplishing goals by using resources wisely and minimizing waste.

Difficulty: 1 Easy

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

126) List and explain the different advantages of competition.

Answer: The five sources of competitive advantage include: innovation, quality, service, speed, and cost competitiveness. Innovation is the introduction of new goods and services. A firm must adapt to changes in consumer demand and to new competitors. Quality is the excellence of one's product or service. Quality can be measured in terms of product performance, customer service, reliability (avoidance of failure or breakdowns), conformance to standards, durability, and aesthetics. In a competitive context, service means giving customers what they want or need, when and where they want it. So service is focused on continually meeting the changing needs of customers to establish mutually beneficial long-term relationships.

Difficulty: 2 Medium

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

127) Explain how managers are efficient and effective.

Answer: Management is the process of working with people and resources to accomplish organizational goals. Good managers do those things both effectively and efficiently: to be effective is to achieve organizational goals and to be efficient is to achieve goals with minimal waste of resources—that is to make the best possible use of money, time, materials, and people.

Difficulty: 2 Medium

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

128) List and explain the components of leading.

Answer: Leading is stimulating people to be high performers. It includes motivating and communicating with employees, individually and in groups.

Difficulty: 1 Easy

Topic: Functional Level Strategy

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

129) How do managers use controlling?

Answer: Controlling is about monitoring performance and making necessary changes in a timely manner. By controlling, managers make sure the organization's resources are being used as planned and the organization is meeting its goals for quality and safety.

Difficulty: 2 Medium

Topic: Controlling

Learning Objective: 01-01 Describe the four functions of management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

130) Explain what is meant by "Trade-offs may occur among the five sources of competitive advantage, but this does not need to be a zero-sum game."

Answer: Answers will vary. In general, answer should state that successful managers deliver, to some extent, all five competitive advantages.

Difficulty: 3 Hard

Topic: Competitive Environment

Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation