

Chapter 01 Management

True / False

1. While good management is basic to starting and growing a business, once some measure of success has been achieved, good management becomes less important.

a. True

b. False

ANSWER: True

2. Managers are responsible for doing the basic work in the company.

a. True

b. False

ANSWER: True

3. Companies that plan have larger profits and faster growth than companies that don't.

a. True

b. False

ANSWER: True

4. Top managers are the managers responsible for facilitating team activities toward goal accomplishment.

a. True

b. False

ANSWER: True

5. Typical titles used for top managers are general manager, plant manager, regional manager, and divisional manager.

a. True

b. False

ANSWER: True

6. Top managers are responsible for creating a climate for change in an organization.

a. True

b. False

ANSWER: True

7. First-line managers are responsible for setting objectives consistent with organizational goals and planning and implementing strategies for achieving these objectives.

a. True

b. False

ANSWER: True

8. Middle managers are typically responsible for coordinating and linking groups, departments, and divisions within a company.

- a. True
- b. False

ANSWER: True

9. First-line managers are the only managers who do not supervise other managers.

- a. True
- b. False

ANSWER: True

10. Middle managers engage in plans and actions that typically produce results within a short time period.

- a. True
- b. False

ANSWER: True

11. The job of team leader would NOT be considered a management position.

- a. True
- b. False

ANSWER: True

12. Team leaders are responsible for managing both internal team relationships and external relationships with other teams, departments, and divisions in a company.

- a. True
- b. False

ANSWER: True

13. While strong interpersonal conflict management skills are important for first-line managers, it is not a very important skill for team leaders.

- a. True
- b. False

ANSWER: True

14. The three interpersonal roles are monitor, disseminator, and spokesperson.

- a. True
- b. False

ANSWER: True

15. There are four decisional roles. They are entrepreneur, disturbance handler, resource allocator, and spokesperson.

- a. True
- b. False

ANSWER: True

16. In the entrepreneur role, managers adapt themselves, their subordinates, and their units to incremental change.

- a. True
- b. False

ANSWER: True

17. Companies look for a total of four sets of skills in individuals to identify potential managers. These desired skills are technical skills, human skills, conceptual skills, and motivation to manage.

- a. True
- b. False

ANSWER: True

18. Technical skill refers to the ability to see the organization as a whole, how the different parts affect each other, and how the company fits into or is affected by its environment.

- a. True
- b. False

ANSWER: True

19. Conceptual skills are most important for lower-level managers to possess.

- a. True
- b. False

ANSWER: True

20. Upper-level managers may actually spend more time dealing with people than lower-level managers.

- a. True
- b. False

ANSWER: True

21. The motivation to manage tends to be higher among managers at higher levels in the organization than it is among managers at lower levels in the organization.

- a. True
- b. False

ANSWER: True

22. The number one mistake made by managers who were derailed from their fast track up the managerial ranks was that they didn't develop or possess the necessary technical

skills.

a. True

b. False

ANSWER: True

23. A management study discovered that companies that invest in their people will create long-term competitive advantages difficult for other companies to duplicate.

a. True

b. False

ANSWER: True

Multiple Choice

24. ____ is defined as getting work done through others.

a. Management

b. Planning

c. Organizing

d. Strategizing

e. Controlling

ANSWER: a, b, c, d, e

When Ruth was hired to be the second-in-command at Graham Mailing Services, she was told that her job was to deal with the employees to make sure they got the mailing done to the customers' specifications. She was not instructed on how to run machines or in any other technical area because her position was a job in:

25. When Ruth was hired to be the second-in-command at Graham Mailing Services, she was told that her jo...

a. marketing

b. relationship control

c. management

d. customer service

e. strategizing

ANSWER: a, b, c, d, e

A manager striving to improve organizational _____ is accomplishing tasks that help achieve organizational objectives.

26. A manager striving to improve organizational is accomplishing tasks that help achieve organizationa...

a. efficiency

b. effectiveness

c. functionality

d. synergy

e. productivity

ANSWER: a, b, c, d, e

Coca-Cola and PepsiCo spent a total of \$75 million to launch two sodas, banking on the low-carb trend. Carb-conscious consumers rejected the drinks en masse. The new brands grabbed a combined market share of less than 1 percent. Given that the objective of both soft drink manufacturers was to increase their market share, the introductions failed to achieve:

27. Coca-Cola and PepsiCo spent a total of \$75 million to launch two sodas, banking on the low-carb tren...

- a. synergy
- b. empathy
- c. efficiency
- d. autonomy
- e. reciprocity

ANSWER: a, b, c, d, e

One of the primary reasons for the slow response to help the victims of Hurricane Katrina was an antiquated government system that was bogged down in bureaucratic red tape. In other words, the failure of assistance to arrive in a timely fashion was due to a lack of:

28. One of the primary reasons for the slow response to help the victims of Hurricane Katrina was an ant...

- a. apathy
- b. efficiency
- c. instrumentality
- d. effectiveness
- e. the absence of entropy

ANSWER: a, b, c, d, e

29. ____ is the accomplishment of tasks that help fulfill organizational objectives.

- a. Benchmarking
- b. Optimizing
- c. Satisficing
- d. Efficiency
- e. Effectiveness

ANSWER: a, b, c, d, e

To achieve its goal of increased market share, Krispy Kreme launched a program in Palm Beach County, Florida, that awards grade-school students a free doughnut for every A on their report cards. Which management function was used to create this program?

30. To achieve its goal of increased market share, Krispy Kreme launched a program in Palm Beach County,...

- a. controlling
- b. leading

- c. focusing
- d. planning
- e. organizing

ANSWER: a, b, c, d, e

Nestlé was unsuccessful in early attempts to sell its chocolate in India. It discovered its chocolate bars were not suitable for the Indian markets because the candy had to sit in direct sunlight without benefit of air conditioning and became messy. Nestlé adopted an innovation strategy and developed Chocostick, a liquid chocolate, which is very popular. Solving this problem involved what management function?

31. Nestlé was unsuccessful in early attempts to sell its chocolate in India. It discovered its chocolat...

- a. planning
- b. meeting the competition
- c. making things happen
- d. organizing people, processes, and projects
- e. leading

ANSWER: a, b, c, d, e

32. A manager engaged in the management function of ____ is determining organizational goals and the means for achieving them.

- a. planning
- b. organizing
- c. leading
- d. human resources management
- e. controlling

ANSWER: a, b, c, d, e

After the makers of Wonder Bread declared bankruptcy, their objectives were to increase revenues by at least 5 percent and reduce net losses by at least 80 percent. Which management function is used to set these goals and help the company meet them?

33. After the makers of Wonder Bread declared bankruptcy, their objectives were to increase revenues by ...

- a. planning
- b. organizing
- c. controlling
- d. motivating
- e. leading

ANSWER: a, b, c, d, e

A manager engaged in the management function of ____ is monitoring progress toward goal achievement and taking corrective action when needed.

34. A manager engaged in the management function of is monitoring progress toward goal achievement and ...

- a. planning
- b. organizing
- c. leading
- d. controlling
- e. motivating

ANSWER: a, b, c, d, e

A business school administrator who is determining what classes will be offered in which rooms and who will teach each specific class is involved in which classical management function?

35. A business school administrator who is determining what classes will be offered in which rooms and w...

- a. making things happen
- b. organizing
- c. controlling
- d. motivating
- e. leading

ANSWER: a, b, c, d, e

36. A U.S. Marine drill instructor motivating new recruits to challenge themselves is engaged in which management function?

- a. planning
- b. organizing
- c. controlling
- d. motivating
- e. leading

ANSWER: a, b, c, d, e

Southern Living magazine was forced to pull an issue off newsstands and mail warnings to 2.5 million subscribers after it became clear that a recipe for dinner rolls described as "little pillows from heaven" was considered controversial. The management function of ____ was used when the warnings were mailed to subscribers.

37. Southern Living magazine was forced to pull an issue off newsstands and mail warnings to 2.5 million...

- a. planning
- b. organizing
- c. controlling
- d. motivating
- e. leading

ANSWER: a, b, c, d, e

Hormel Foods had to recall 104,000 pounds of Stagg canned chili—labeled "hearty beef with a kick of green chilies"—after the kick turned out to come from the ground-up parts of a plastic handheld calculator. The recall was the application of which management function?

38. Hormel Foods had to recall 104,000 pounds of Stagg canned chili-labeled "hearty beef with a kick of ...

- a. controlling
- b. leading
- c. motivating
- d. planning
- e. organizing

ANSWER: a, b, c, d, e

As the human resources manager for Spring Engineering and Manufacturing Corp. in Canton, Michigan, Kim Radeback had to find inexpensive ways to reward high performing employees and bolster morale during a sales-flattening economic downturn. Radeback had to engage in which management function?

39. As the human resources manager for Spring Engineering and Manufacturing Corp. in Canton, Michigan, K...

- a. Planning
- b. Organizing
- c. Leading
- d. Controlling
- e. Evaluating

ANSWER: a, b, c, d, e

Jane is in charge of her Rotary Club's annual fund-raising auction. She will decide who will ask local businesses for prizes, she will determine the site of the event, she will decide who will sell tickets to customers, and who will work the night of the auction. She is engaged in the management function of:

40. Jane is in charge of her Rotary Club's annual fund-raising auction. She will decide who will ask loc...

- a. Planning
- b. Controlling
- c. Leading
- d. resource allocation
- e. Organizing

ANSWER: a, b, c, d, e

Robert Rothschild Farm boosted morale and showed its gratitude to its 75 employees at its retail store by hosting its first employee appreciation week. It used the management function of ____ to boost morale.

41. Robert Rothschild Farm boosted morale and showed its gratitude to its 75 employees at its retail store...

- a. Leading
- b. Commanding
- c. Organizing
- d. Controlling
- e. resource allocation

ANSWER: a, b, c, d, e

Eastman Kodak owns a company that manufactures dental radiation equipment. The company, which is run as an independent unit, has experienced excessive financial losses the last three years. The ____ for the company would be expected to develop the long-term plans needed to make the company profitable.

42. Eastman Kodak owns a company that manufactures dental radiation equipment. The company, which is run...

- a. supervising manager
- b. top manager
- c. first-line manager
- d. middle-level manager
- e. department manager

ANSWER: a, b, c, d, e

Coca-Cola and PepsiCo spent a total of \$75 million to launch mid-calorie sodas. The new brands grabbed a combined market share of less than 1 percent. Coke's and PepsiCo's ____ would be responsible for determining that the product should be deleted from each of their product lines.

43. Coca-Cola and PepsiCo spent a total of \$75 million to launch mid-calorie sodas. The new brands grabbed...

- a. middle-level management
- b. first-line management
- c. team leaders
- d. product supervisors
- e. top management

ANSWER: a, b, c, d, e

44. Which of the following typically is NOT performed by top managers?

- a. setting objectives consistent with organizational goals or planning and implementing subunit strategies for achieving these objectives
- b. developing in employees the attitudes of commitment to and ownership of the company's performance
- c. creating a positive organizational culture through language and action
- d. monitoring the business environment
- e. creating a context for change

ANSWER: a, b, c, d, e

45. A top manager for a management consulting firm would:
- a. establish a positive organizational culture that encourages employees to be passionate about their clients
 - b. make sure employees are attired according to the company dress code
 - c. evaluate the performance of individual consultants
 - d. monitor expense statements turned in by consultants
 - e. coordinate activities within and between consultants working in the field and support staff in the office

ANSWER: a, b, c, d, e

The chairs of the accounting, marketing, and communications departments at a typical university are assuming the roles of ____ because they supervise nonmanagerial employees.

46. The chairs of the accounting, marketing, and communications departments at a typical university are ...
- a. supervising managers
 - b. top managers
 - c. first-line managers
 - d. middle-level managers
 - e. department managers

ANSWER: a, b, c, d, e

47. ____ are responsible for creating a positive organizational culture through language and action.

- a. Top managers
- b. Middle managers
- c. Team leaders
- d. Supervisors
- e. Group facilitators

ANSWER: a, b, c, d, e

Robert Rothschild Farm boosted morale and showed its gratitude to its 75 employees at its retail store by hosting its first employee appreciation week. "It was a good mix of fun and learning," said Robin Coffey, marketing manager. Coffey is an example of a:

48. Robert Rothschild Farm boosted morale and showed its gratitude to its 75 employees at its retail sto...
- a. supervising manager
 - b. top manager
 - c. first-line manager
 - d. middle manager
 - e. department manager

ANSWER: a, b, c, d, e

As the human resources manager for Spring Engineering and Manufacturing Corp. in Canton, Michigan, Kim Radeback had to find inexpensive ways to reward performing employees and bolster morale during a sales-flattening economic downturn. Radeback is an example of a:

49. As the human resources manager for Spring Engineering and Manufacturing Corp. in Canton, Michigan, K...

- a. supervising manager
- b. top manager
- c. first-line manager
- d. middle manager
- e. business line manager

ANSWER: a, b, c, d, e

Typical responsibilities for ____ include setting objectives consistent with organizational goals and then planning and implementing the subunit strategies for achieving these goals.

50. Typical responsibilities for ____ include setting objectives consistent with organizational goals and th...

- a. top managers
- b. shift supervisors
- c. first-line managers
- d. team leaders
- e. middle managers

ANSWER: a, b, c, d, e

51. Middle managers typically:

- a. plan and allocate resources
- b. coordinate and link groups and departments
- c. implement changes and strategies generated by top managers
- d. monitor the activities of first-line managers who report to them
- e. do all of these

ANSWER: a, b, c, d, e

52. Typical responsibilities for ____ include coordinating and linking groups, departments, and divisions within a company.

- a. top managers
- b. middle managers
- c. vice presidents
- d. team leaders
- e. first-line managers

ANSWER: a, b, c, d, e

It is the responsibility of ____ to develop intermediate plans, or plans designed to produce results within six to eighteen months.

53. It is the responsibility of ____ to develop intermediate plans, or plans designed to produce results with...

- a. top managers
- b. middle managers
- c. first-line managers
- d. group facilitators
- e. team leaders

ANSWER: a, b, c, d, e

54. First-line managers will most likely have to:

- a. monitor the performance of corporate investments
- b. encourage, monitor, and reward the performances of their employees
- c. determine how to deal with long-term environmental changes
- d. periodically monitor the company's organizational culture
- e. do none of these

ANSWER: a, b, c, d, e

Managers who train and supervise the performance of nonmanagerial employees and who are directly responsible for producing the company's products or services are categorized as:

55. Managers who train and supervise the performance of nonmanagerial employees and who are directly res...

- a. general managers
- b. middle managers
- c. first-line managers
- d. team leaders
- e. top managers

ANSWER: a, b, c, d, e

Mike Walker supervises operations on the chassis assembly line for a large vehicle manufacturer. Most of his time is spent in quality control maintenance, scheduling workers, and training new employees. Walker would be categorized as a:

56. Mike Walker supervises operations on the chassis assembly line for a large vehicle manufacturer. Mos...

- a. first-line manager
- b. middle manager
- c. top manager
- d. team leader
- e. group facilitator

ANSWER: a, b, c, d, e

57. A first-line manager for a large electric generator manufacturer would:

- a. monitor how its customers feel about electric-powered engines
- b. determine if the company needed to increase its production by adding another shift
- c. monitor and manage the performance of the company's international subsidiaries
- d. manage the performance of employees who actually build the generators
- e. do all of these

ANSWER: a, b, c, d, e

A ____ for a McDonald's fast-food restaurant would be responsible for placing orders for food and paper supplies and for setting up weekly work schedules.

58. A ____ for a McDonald's fast-food restaurant would be responsible for placing orders for food and paper ...

- a. corporate vice president
- b. middle manager
- c. first-line manager
- d. division supervisor
- e. top manager

ANSWER: a, b, c, d, e

59. Middle managers will most likely have to:

- a. facilitate a bottom-up planning approach to supervising
- b. manage the performance of entry-level employees
- c. implement the changes generated by top managers
- d. develop employees' commitment to and ownership of the company's performance
- e. monitor long-term environmental trends

ANSWER: a, b, c, d, e

The CEO of Camper Brand Shoes expects its designers to operate like a team when they create new shoe designs. Most of its designers do not have a background in fashion so it is important that each person shares his or her expertise. Each team has a leader who is responsible for:

60. The CEO of Camper Brand Shoes expects its designers to operate like a team when they create new shoe...

- a. developing organizational codes of ethics
- b. managing external and internal team relationships
- c. developing growth strategies
- d. coordinating the performances of all teams
- e. doing all of these

ANSWER: a, b, c, d, e

61. Team leaders typically:

- a. conduct quality control audits
- b. manage external and internal relationships
- c. act as department liaisons

- d. oversee strategy implementation
- e. do all of these

ANSWER: a, b, c, d, e

62. Team leaders are responsible for:

- a. creating a context for change
- b. facilitating team activities toward accomplishing a goal
- c. monitoring and managing the performance of subunits
- d. making detailed schedules and operating plans
- e. monitoring the organizational culture

ANSWER: a, b, c, d, e

63. According to Mintzberg, which of the following are the three major roles managers fulfill while performing their jobs?

- a. interpersonal roles, informational roles, and decisional roles
- b. informational roles, ethical roles, and action roles
- c. corporate roles, coordination roles, and informational roles
- d. decisional roles, informational roles, and organizational roles
- e. interpersonal roles, intrapersonal roles, and departmental roles

ANSWER: a, b, c, d, e

64. Which of the following is an example of an interpersonal role?

- a. figurehead
- b. monitor
- c. disseminator
- d. resource allocator
- e. spokesperson

ANSWER: a, b, c, d, e

When Millard Fuller, who founded the world-renowned Christian housing ministry Habitat for Humanity International with his wife, ended his service as president his role was limited to that of a figurehead. After this change, what functions did Fuller most likely do until he retired?

65. When Millard Fuller, who founded the world-renowned Christian housing ministry Habitat for Humanity ...

- a. He distributed critical information to employees.
- b. He monitored the environment.
- c. He helped the organization adapt to incremental changes.
- d. He negotiated salaries, raises, and promotions.
- e. He performed ceremonial duties like greeting company visitors.

ANSWER: a, b, c, d, e

At the death of her husband, Miriam McAllister became the CEO of a company that is the world's leading manufacturer of kidney dialysis machines. It was believed when she took

the position that she would perform only ceremonial duties and would not want to be actively involved in the running of the company. In other words, it was assumed she would be a:

66. At the death of her husband, Miriam McAllister became the CEO of a company that is the world's lead...

- a. resource allocator
- b. monitor
- c. disseminator
- d. spokesperson
- e. figurehead

ANSWER: a, b, c, d, e

Lorenzo Fluza is the owner and CEO of the company that makes Camper shoes. Mintzberg would describe Lorenzo Fluza as fulfilling the leader role within the organization. This means he spends much of his time:

67. Lorenzo Fluza is the owner and CEO of the company that makes Camper shoes.

Mintzberg would describe ...

- a. negotiating
- b. responding to instrumental change
- c. performing ceremonial duties
- d. motivating and encouraging its employees to meet their organizational objectives
- e. ignoring interpersonal roles

ANSWER: a, b, c, d, e

As described by Mintzberg, a marketing manager who was hired by a manufacturer of plumbing fixtures to operate information booths would have the informational role of:

68. As described by Mintzberg, a marketing manager who was hired by a manufacturer of plumbing fixtures ...

- a. entrepreneur
- b. resource allocator
- c. figurehead
- d. communicator
- e. spokesperson

ANSWER: a, b, c, d, e

According to a speech to a forum for retail leaders made by Dr. Hans-Joachim Koerber, "Sustained growth is essential. Sustaining growth is a challenge for virtually every company." Koerber is the CEO of Metro Group, Germany's largest retailer, which has more than 2,400 stores in 30 countries. What informational role did Koerber assume?

69. According to a speech to a forum for retail leaders made by Dr. Hans-Joachim Koerber, "Sustained growth is essential. Sustaining growth is a challenge for virtually every company." Koerber is the CEO of Metro Group, Germany's largest retailer, which has more than 2,400 stores in 30 countries. What informational role did Koerber assume?

- a. liaison

- b. resource allocator
- c. figurehead
- d. negotiator
- e. spokesperson

ANSWER: a, b, c, d, e

During a meeting of the Ambulatory Care Nursing Association (ACNA) board of directors, a commitment was made to ask members for their feedback about their experiences with and perceptions of ACNA. The head of the organization said, "The essence of being a leader is to make sure the organization knows itself." Then she volunteered to conduct the environmental scanning and share what she learned with the others. What informational roles is she assuming?

70. During a meeting of the Ambulatory Care Nursing Association (ACNA) board of directors, a commitment ...

- a. liaison and spokesperson
- b. resource allocator and liaison
- c. monitor and disseminator
- d. negotiator and monitor
- e. spokesperson and liaison

ANSWER: a, b, c, d, e

At the death of her husband, Miriam McAllister became the CEO of a company that is the world's leading manufacturer of kidney dialysis machines. Even though she was not expected to, she quickly asked company employees to develop ideas for new products that would lead to organizational growth in a changing environment. The decisional role she took on was that of a(n):

71. At the death of her husband, Miriam McAllister became the CEO of a company that is the world's leading manufacturer of kidney dialysis machines. Even though she was not expected to, she quickly asked company employees to develop ideas for new products that would lead to organizational growth in a changing environment. The decisional role she took on was that of a(n):

- a. leader
- b. disseminator
- c. resource allocator
- d. spokesperson
- e. entrepreneur

ANSWER: a, b, c, d, e

72. In the decisional role of ____, managers adapt themselves, their subordinates, and their units to incremental change.

- a. resource allocator
- b. entrepreneur
- c. disturbance handler
- d. liaison
- e. disseminator

ANSWER: a, b, c, d, e

Spiegel announced to the media that it was nearing the completion of its corporate restructuring and was one step closer to emerging from Chapter 11 status after filing its proposed joint plan of reorganization. According to Mintzberg, which managerial role would have been adopted in order to make this announcement to the media?

73. Spiegel announced to the media that it was nearing the completion of its corporate restructuring and...

- a. environmental
- b. controller
- c. spokesperson
- d. entrepreneur
- e. interpersonal

ANSWER: a, b, c, d, e

Connie O'Day is a middle-level manager for the publishers of Free Spirit magazine, a publication targeted to women who are not focused on finding a husband or maintaining a house and garden. She spends much of her day conducting interviews with groups of women to determine what they consider most important in their lives. She also keeps an eye on the sales and content of other women's magazines. Which informational role does O'Day perform?

74. Connie O'Day is a middle-level manager for the publishers of Free Spirit magazine, a publication tar...

- a. entrepreneur
- b. monitor
- c. resource allocator
- d. spokesperson
- e. liaison

ANSWER: a, b, c, d, e

The informational role managers play when they share information they have collected with their subordinates and others in the company is called the ____ role.

75. The informational role managers play when they share information they have collected with their sub...

- a. monitor
- b. figurehead
- c. resource allocator
- d. entrepreneur
- e. disseminator

ANSWER: a, b, c, d, e

In Great Britain, Nestlé introduced a candy bar called Yorkie with the slogan "It's not for girls!" The resulting furor over this sexist campaign required its British managers to

spend a great deal of time in the role of:

76. In Great Britain, Nestlé introduced a candy bar called Yorkie with the slogan “It’s not for girls!” ...

- a. resource allocators
- b. entrepreneurs
- c. disturbance handlers
- d. liaisons
- e. disseminators

ANSWER: a, b, c, d, e

According to Mintzberg, which role would a manager assume if she were trying to convince union members to accept a 25-cent-per-hour reduction in pay in order to keep the manufacturing plant open?

77. According to Mintzberg, which role would a manager assume if she were trying to convince union membe...

- a. resource allocator
- b. entrepreneur
- c. disturbance handler
- d. liaison
- e. negotiator

ANSWER: a, b, c, d, e

An accountant with ____ has the ability to create a budget, compare the budget to the actual income statement, and determine unnecessary expenses.

78. An accountant with ____ has the ability to create a budget, compare the budget to the actual income stat...

- a. technical skill
- b. human skill
- c. conceptual skill
- d. motivational skill
- e. interpersonal skill

ANSWER: a, b, c, d, e

79. Which type of skills tends to be most important to the success of lower-level managers?

- a. decisional skills
- b. human skills
- c. conceptual skills
- d. motivation to manage
- e. technical skills

ANSWER: e

Creating a competitive advantage through people relies heavily on the use of which skill

to reward people for providing exceptional customer service?

80. Creating a competitive advantage through people relies heavily on the use of which skill to reward p...

- a. motivation to manage
- b. conceptual
- c. technical
- d. interpersonal
- e. decisional

ANSWER: a

81. What type of skills tends to be equally important at all levels of management?

- a. technical skills
- b. human skills
- c. decisional skills
- d. motivation to manage
- e. conceptual skills

ANSWER: b

82. The ability to perform ____ increases in its importance to success as managers' rise through the managerial ranks.

- a. interpersonal skills
- b. human skills
- c. conceptual skills
- d. informational skills
- e. technical skills

ANSWER: c

83. Which skills increase in their importance to success as managers' rise through the managerial ranks?

- a. human skills and decisional skills
- b. informational skills and the motivation to manage
- c. conceptual skills and the motivation to manage
- d. conceptual skills, technical skills, and human skills
- e. human skills and informational skills

ANSWER: c

There have been several studies of managers who fail (derailers) and managers who succeed in climbing the organizational hierarchy (arrivers). Which of the following statements describes one of the facts learned from these studies?

84. There have been several studies of managers who fail (derailers) and managers who succeed in climbin...

- a. Arrivers differ significantly from derailers.
- b. Arrivers have no weaknesses.
- c. Arrivers and derailers both possess two or more fatal flaws regarding how they

managed people.

- d. The number one mistake of derailers was that they were unable to think strategically.
- e. Arrivers are sensitive to the feelings of others.

ANSWER: a, b, c, d, e

There have been several studies of managers who fail (derailers) and managers who succeed in climbing the organizational hierarchy (arrivers). Which of the following statements describes a significant fact learned from these studies?

85. There have been several studies of managers who fail (derailers) and managers who succeed in climbing...

- a. Derailers are insensitive.
- b. Arrivers fail to inform others when things will not be done on time.
- c. Arrivers fail to admit mistakes.
- d. Arrivers fail to take responsibility for mistakes.
- e. There are several significant differences between arrivers and derailers.

ANSWER: a, b, c, d, e

As the shift supervisor at a car wash, Jacob is bossy, arrogant, and insensitive to the needs of his subordinates. He is unable to delegate any tasks to the other employees. He will more than likely never be a middle or top manager because he:

86. As the shift supervisor at a car wash, Jacob is bossy, arrogant, and insensitive to the needs of his...

- a. is a management laggard
- b. is a derailer
- c. does not understand the importance of synergy
- d. is not a hands-on doer
- e. is a non-arriver

ANSWER: a, b, c, d, e

87. After six months as a manager, new managers typically believe their job is:

- a. to provide negative reinforcement
- b. to exercise formal authority
- c. to maintain control and avoid delegation
- d. operational development
- e. to solve problems for subordinates

ANSWER: a, b, c, d, e

88. After their first year of managerial experience, managers tend to:

- a. exercise more formal authority
- b. do less listening and more telling
- c. view themselves as the boss
- d. use more positive reinforcement
- e. do all of these

ANSWER: a, b, c, d, e

89. After a year as a manager, new managers typically realize their job is:

- a. to be a troubleshooter
- b. to manage tasks
- c. just as they expected
- d. people management
- e. to be a problem-solver

ANSWER: a, b, c, d, e

Which of the following management practices can be used by an organization that wants to create a competitive advantage through its employees?

90. Which of the following management practices can be used by an organization that wants to create a co...

- a. self-managed teams
- b. employment security
- c. high wages contingent on organizational performance
- d. sharing information
- e. all of these

ANSWER: a, b, c, d, e

Leon Dodd is a member of a self-managed team at Standard Aero Alliance, Inc. (SAAI). His team's top priorities are understanding customer requirements and expectations. It would appear that SAAI is:

91. Leon Dodd is a member of a self-managed team at Standard Aero Alliance, Inc. (SAAI).

His team's top ...

- a. using employee benchmarking
- b. allowing its employees to assume various decisional roles
- c. letting its teams handle all planning functions
- d. using its employees to create a competitive advantage
- e. relying more on conceptual skills than human skills

ANSWER: a, b, c, d, e

Wainscott Finch, a Fortune 500 management consulting firm, conducts Project Management Preparatory Academies for its clients in which participants spend 70 hours learning how to create a differential competitive advantage through their employees. Why?

92. Wainscott Finch, a Fortune 500 management consulting firm, conducts Project Management Preparatory A...

- a. The maintenance of employee relations is the latest trend in business.
- b. Satisfied employees yield satisfied customers.
- c. The participants' companies do not have a competitive advantage.
- d. Employees need only job security to be satisfied in their work.

e. Environmental monitoring has detected a general trend toward organizational dissatisfaction.

ANSWER: a, b, c, d, e

Krispy Kreme Krispy Kreme is a relatively small doughnut seller. It has only 793 stores while Dunkin Donuts has 7015 outlets in the United States. The company originated in Winston-Salem, North Carolina, where it still operates a plant that fills a 50-pound bag with doughnut mix every seven seconds. It recently opened a new plant in Effingham, Illinois, that fills a bag every three seconds. This second plant allows the company to reduce costs while increasing its output. The company began in the mid-1930s when Vernon Rudolph bought a secret recipe for yeast doughnuts from a French pastry cook. Rudolph ran the company until his death in 1973. Refer to Krispy Kreme. The building of the Effingham plant increased the ____ of the Krispy Kreme operation.

93. Refer to Krispy Kreme. The building of the Effingham plant increased the ____ of the Krispy Kreme operation.

- a. effectiveness
- b. synergy
- c. advocacy
- d. efficiency
- e. empathy

ANSWER: a, b, c, d, e

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94. Refer to Krispy Kreme. Which management function had Rudolph not performed at the time of his death?

- a. planning
- b. marketing
- c. controlling
- d. leading
- e. organizing

ANSWER: a, b, c, d, e

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95. Refer to Krispy Kreme. As the CEO of Krispy Kreme, Rudolph would have been responsible for:...

- a. developing employees' commitment to the company
- b. creating a positive organizational culture
- c. monitoring the business environment
- d. creating a context for change
- e. doing all of these things

ANSWER: a, b, c, d, e

Krispy KremeKrispy Kreme is a relatively small doughnut seller. It has only 793 stores while Dunkin Donuts has 7015 outlets in the United States. The company originated in Winston-Salem, North Carolina, where it still operates a plant that fills a 50-pound bag with doughnut mix every seven seconds. It recently opened a new plant in Effingham, Illinois, that fills a bag every three seconds. This second plant allows the company to reduce costs while increasing its output. The company began in the mid-1930s when Vernon Rudolph bought a secret recipe for yeast doughnuts from a French pastry cook. Rudolph ran the company until his death in 1973. Refer to Krispy Kreme. To be successful, managers need four skills. The fact that Rudolph was a skilled baker when he purchased the secret doughnut recipe indicates he had ____ skills.

96. Refer to Krispy Kreme. To be successful, managers need four skills. The fact that Rudolph was a skil...

- a. technical
- b. interpersonal
- c. conceptual
- d. human
- e. motivational

ANSWER: a, b, c, d, e

Amazon.comFrom the start, Amazon.com has been in a hurry to be a success. According to company founder and chief executive officer (CEO) Jeff Bezos, "Our initial strategy was very focused and very unidimensional. It was GBF: Get big fast. We put that on our shirts at the company picnic."With billions to spend from its initial stock offering (Amazon's stock quickly rose to over \$100 per share), Amazon spent \$400 million to build eight high-tech warehouses across the country. Why spend that much for warehouses? In theory, each was capable of shipping 60 million items per year, and Amazon needed to control the entire buying transaction, beginning with online ordering, proceeding to quick

warehouse handling and boxing, and ending with timely shipping and delivery. And, believing that their growth would parallel its own, Amazon then spent \$350 million to buy large shares of two Internet retailers, Kozmo.com and Pets.com. Kozmo.com promised the ability to deliver thousands of items from gourmet foods to CDs and movies to customers' homes in 11 major cities within one hour after an order was placed. Pets.com was supposed to grow because Americans spend over \$30 billion a year on their pets, but the pet industry was still comprised largely of small family-owned stores and was not yet dominated by a "big box" retailer like Home Depot. Unfortunately, Amazon grew so fast that it soon lost control of the basics. Despite the billions it had raised, Amazon burned money so quickly that it had to issue bonds to raise another \$2.2 billion to keep the company running. Still, it had only enough business and cash to run six of those new warehouses. Consequently, the company took a \$400 million loss to close two of the warehouses and lay off 1,500 people. Furthermore, the six remaining warehouses were poorly run. Defective products which should have been returned to manufacturers sat on the shelves wasting space. Mystery orders, like a truckload of unordered kitchen knives, kept showing up. Instead of declining the deliveries, workers put whole truckloads of unordered items on the shelves. Amazon's frustrated chief of operations said, "We kept it all—we just kept it. We put it on the shelf and said, 'I don't know.'" In fact, Amazon had so much unsold inventory in its warehouses that CEO Bezos sent out an email with a point-blank message, "Get the crap out." Finally, Amazon's \$350 million investment in Kozmo.com and Pets.com evaporated when both filed for bankruptcy. Amazon's problem was not its sales, which were growing exponentially, but poor management. As a result, its stock, once valued at over \$100 per share, dropped to a low of \$6. As for profits, founder Bezos cautioned patience, saying, "Look at USA Today; it took 11 years to become profitable." However, Amazon has lost over \$3 billion since its inception. Although the company has finally earned its first profits, that profit amounted to only \$5 million on \$1.12 billion in sales in its fourth quarter (October to December), and Amazon still lost \$45 million for the year. Furthermore, it still has long-term debt of \$2.2 billion to pay off at the rate of \$120 million per year. Results like these would have cost any other CEO his or her job. If Amazon is ultimately to survive and be profitable, what does it need to do to become a more efficiently run company? Refer to Amazon.com. CEO Jeff Bezos must wrestle with basic management issues such as how to get more done at Amazon with a minimum of effort, expense, or waste. In other words, Bezos must make Amazon more:

97. Refer to Amazon.com. CEO Jeff Bezos must wrestle with basic management issues such as how to get mor...

- a. effective
- b. synergistic
- c. environmentally-oriented
- d. efficient
- e. customer-oriented

ANSWER: a, b, c, d, e

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98. Refer to Amazon.com. Which traditional management function will be key to make sure Amazon is never ...

- a. organizing
- b. leading
- c. planning
- d. motivating
- e. controlling

ANSWER: a, b, c, d, e

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99. Refer to Amazon.com. As CEO of Amazon, Jeff Bezos:...

- a. is responsible for developing employees' commitment to the company's performance
- b. monitors and manages the performance of subunits and individual managers who report to him
- c. is responsible for setting objectives consistent with top management's goals
- d. teaches employees how to do their job more efficiently
- e. coordinates and links groups, departments, and divisions within a company

ANSWER: a, b, c, d, e

WWYD Netflix CEO Reed Hastings started Netflix after paying Blockbuster \$40 for a late return. Hastings and Netflix struck back with flat monthly fees for unlimited DVDs rentals, home delivery via prepaid postage envelopes, and no late fees. When Blockbuster, Amazon, and Walmart started their own mail-delivery video rentals, Hastings recognized that Netflix was in competition with some of the biggest companies. Three years later, Walmart abandoned the business, Amazon quit after four years of losses, and, 13 years after Netflix's founding, Blockbuster declared bankruptcy. Shipping and distributing DVDs, however, was not where Netflix wanted to succeed. The competitive advantage was in streaming files over the Internet. U.S. copyright laws, however, require streaming rights to be purchased from TV and movie studios before downloading content into people's homes. So Netflix needs to outbid its rivals for broad access to TV and movie content while convincing studios it is not a direct competitor. These two issues are organizational goals and they require planning to achieve them. The first time that Netflix tried streaming video, it took 16 hours and cost \$10 to download videos. However, the company invested 1 to 2 percent of revenue every year in downloading to "fundamentally lower" mailing costs. Because of that investment and advances in technology, it now costs Netflix 5 cents to stream the video content of a full-length film. And Netflix can take the money it spends on mailing costs and put nearly all of it toward buying streaming rights from the studios. To convince the studios that it's not a competitor depends on the strategy Netflix uses as a streaming company: It still maintains its DVD business. By holding to a 28-day delay in streaming content and providing high DVD sales for studios—which makes more money than theatrical releases—Netflix can negotiate contracts with such companies as Warner Bros. to ensure profitability for its partners and so get better rates and access to content than competitors. In the end, says chief content officer Ted Sarandos, "We see ourselves as complementary [to the studios]. If someone loves Weeds on Showtime, they'll ... go find the older episodes from us." Refer to WWYD Netflix. Reed Hastings is an example of a:

100. Refer to WWYD Netflix. Reed Hastings is an example of a:...

- a. founder-manager
- b. delegator
- c. first-line manager

- d. top manager
- e. team leader

ANSWER: a, b, c, d, e

WWYD Netflix CEO Reed Hastings started Netflix after paying Blockbuster \$40 for a late return. Hastings and Netflix struck back with flat monthly fees for unlimited DVDs rentals, home delivery via prepaid postage envelopes, and no late fees. When Blockbuster, Amazon, and Walmart started their own mail-delivery video rentals, Hastings recognized that Netflix was in competition with some of the biggest companies. Three years later, Walmart abandoned the business, Amazon quit after four years of losses, and, 13 years after Netflix's founding, Blockbuster declared bankruptcy. Shipping and distributing DVDs, however, was not where Netflix wanted to succeed. The competitive advantage was in streaming files over the Internet. U.S. copyright laws, however, require streaming rights to be purchased from TV and movie studios before downloading content into people's homes. So Netflix needs to outbid its rivals for broad access to TV and movie content while convincing studios it is not a direct competitor. These two issues are organizational goals and they require planning to achieve them. The first time that Netflix tried streaming video, it took 16 hours and cost \$10 to download videos. However, the company invested 1 to 2 percent of revenue every year in downloading to "fundamentally lower" mailing costs. Because of that investment and advances in technology, it now costs Netflix 5 cents to stream the video content of a full-length film. And Netflix can take the money it spends on mailing costs and put nearly all of it toward buying streaming rights from the studios. To convince the studios that it's not a competitor depends on the strategy Netflix uses as a streaming company: It still maintains its DVD business. By holding to a 28-day delay in streaming content and providing high DVD sales for studios—which makes more money than theatrical releases—Netflix can negotiate contracts with such companies as Warner Bros. to ensure profitability for its partners and so get better rates and access to content than competitors. In the end, says chief content officer Ted Sarandos, "We see ourselves as complementary [to the studios]. If someone loves Weeds on Showtime, they'll ... go find the older episodes from us." Refer to WWYD Netflix. When Netflix began to invest in streaming content technology as a means of achieving a long-term goal implicit in the company's name, it engaged in the management function of:

101. Refer to WWYD Netflix. When Netflix began to invest in streaming content technology as a means of ac...

- a. hiring
- b. planning
- c. leading
- d. goalkeeping
- e. innovating

ANSWER: a, b, c, d, e

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home delivery via prepaid postage envelopes, and no late fees. When Blockbuster, Amazon, and Walmart started their own mail-delivery video rentals, Hastings recognized that Netflix was in competition with some of the biggest companies. Three years later, Walmart abandoned the business, Amazon quit after four years of losses, and, 13 years after Netflix's founding, Blockbuster declared bankruptcy. Shipping and distributing DVDs, however, was not where Netflix wanted to succeed. The competitive advantage was in streaming files over the Internet. U.S. copyright laws, however, require streaming rights to be purchased from TV and movie studios before downloading content into people's homes. So Netflix needs to outbid its rivals for broad access to TV and movie content while convincing studios it is not a direct competitor. These two issues are organizational goals and they require planning to achieve them. The first time that Netflix tried streaming video, it took 16 hours and cost \$10 to download videos. However, the company invested 1 to 2 percent of revenue every year in downloading to "fundamentally lower" mailing costs. Because of that investment and advances in technology, it now costs Netflix 5 cents to stream the video content of a full-length film. And Netflix can take the money it spends on mailing costs and put nearly all of it toward buying streaming rights from the studios. To convince the studios that it's not a competitor depends on the strategy Netflix uses as a streaming company: It still maintains its DVD business. By holding to a 28-day delay in streaming content and providing high DVD sales for studios—which makes more money than theatrical releases—Netflix can negotiate contracts with such companies as Warner Bros. to ensure profitability for its partners and so get better rates and access to content than competitors. In the end, says chief content officer Ted Sarandos, "We see ourselves as complementary [to the studios]. If someone loves Weeds on Showtime, they'll ... go find the older episodes from us." Refer to WWYD Netflix. When investing 1 to 2 percent of revenue per year in downloading, managers at Netflix were fulfilling which managerial role?

102. Refer to WWYD Netflix. When investing 1 to 2 percent of revenue per year in downloading, managers at...

- a. interpersonal
- b. informational
- c. decisional
- d. planning
- e. leader

ANSWER: a, b, c, d, e

WWYD Netflix CEO Reed Hastings started Netflix after paying Blockbuster \$40 for a late return. Hastings and Netflix struck back with flat monthly fees for unlimited DVDs rentals, home delivery via prepaid postage envelopes, and no late fees. When Blockbuster, Amazon, and Walmart started their own mail-delivery video rentals, Hastings recognized that Netflix was in competition with some of the biggest companies. Three years later, Walmart abandoned the business, Amazon quit after four years of losses, and, 13 years after Netflix's founding, Blockbuster declared bankruptcy. Shipping and distributing DVDs, however, was not where Netflix wanted to succeed. The competitive advantage was in

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103. Refer to WWYD Netflix. The person in charge of negotiating Netflix's DVD partnerships with movie stu...

- a. team leader for distribution
- b. first-line manager for the mailing operation
- c. middle manager in charge of fulfillment
- d. top manager
- e. none of the choices are likely

ANSWER: d

Subjective Short Answer

104. Define efficiency and effectiveness and explain their relationship to the process of management.

ANSWER: Managers need to be concerned with both efficiency and effectiveness in the work process. Efficiency is getting work done with a minimum of effort, expense, or waste. By itself, efficiency is not enough to ensure managerial success. Managers must also strive for effectiveness, which is accomplishing tasks that help fulfill organizational objectives.

105. List and briefly define the four functions of management.

ANSWER: The four functions of management are planning (determining organizational goals and the means for achieving them), organizing (deciding where decisions will be made, who will do what jobs and tasks, and who will work for whom), leading (inspiring and motivating workers to work hard to achieve organizational goals), and controlling

(monitoring progress toward goal achievement and taking corrective action when needed).

106. Identify the four different kinds of managers and list one of the basic responsibilities for each of these different types of manager.

ANSWER: There are four different kinds of managers. TOP MANAGERS are responsible for creating a context for change, developing attitudes of commitment and ownership, creating a positive organizational culture through words and actions, and monitoring their company's business environments. MIDDLE MANAGERS are responsible for planning and allocating resources, coordinating and linking groups and departments, monitoring and managing the performance of subunits and managers, and implementing the changes or strategies generated by top managers. FIRST-LINE MANAGERS are responsible for managing the performance of nonmanagerial employees, teaching direct reports how to do their jobs, and making detailed schedules and operating plans based on middle management's intermediate-range plans. TEAM LEADERS are responsible for facilitating team performance, managing external relationships, and facilitating internal team relationships.

107. What are the four major responsibilities for the typical middle manager?

ANSWER: The four major responsibilities of middle managers are (1) setting objectives consistent with top management's goals and planning and implementing subunit strategies for achieving these objectives; (2) coordinating and linking groups, departments, and divisions within a company; (3) monitoring and managing the performance of subunits and individual managers who report to them; and (4) implementing the changes or strategies generated by top managers.

108. Specify the differences in the timeframes involved in planning done by top, middle, and first-line managers.

ANSWER: Top managers typically create long-term plans, designed to produce results three to five years out. Middle managers are responsible for intermediate plans (six to eighteen months out). First-line supervisors engage in plans and actions that typically produce results within two weeks.

109. Among the four kinds of management jobs, list the one that is the most recent addition to organizations and describe the basic responsibilities of that management job.

ANSWER: The fourth kind of manager is a team leader. This is a relatively new kind of management job that developed as companies shifted to self-managing teams, which, by definition, have no formal supervisor. Team leaders are responsible for facilitating team performance (but the team itself is responsible for actual performance), managing external relationships, and facilitating internal team relationships.

110. List and briefly describe the three basic managerial roles identified by Mintzberg. Include a list of the basic sub-roles that characterize each of these roles in your definition.

ANSWER: Managers fulfill three major roles while performing their jobs: (1) interpersonal roles (i.e., talking to people), which include the subroles of figurehead,

leader, and liaison; (2) informational roles (i.e., gathering and giving information), which include the subroles of monitor, disseminator, and spokesperson; and (3) decisional roles (i.e., making decisions), including the subroles of entrepreneur, disturbance handler, resource allocator, and negotiator.

111. List and briefly describe the four kinds of skills that companies look for in managers.

ANSWER: When companies look for employees who would be good managers, they look for individuals who have technical skills, human skills, and conceptual skills, and are motivated to manage. Technical skills refer to the ability to apply the specialized procedures, techniques, and knowledge required to get the job done. Human skills are the ability to work well with others. Conceptual skills are the ability to see the organization as a whole, how the different parts of the company affect each other, and how the company fits into or is affected by its external environment. Motivation to manage is an assessment of how enthusiastic employees are about managing the work of others.

112. Within the four sets of skills that companies look for in managers, specify those that tend to be more important or more prevalent in higher-level than lower-level managers.

ANSWER: When companies look for employees who would be good managers, they look for individuals who have TECHNICAL SKILLS (the ability to apply the specialized procedures, techniques, and knowledge required to get the job done), HUMAN SKILLS (the ability to work well with others), and CONCEPTUAL SKILLS (the ability to see the organization as whole, how the different parts of the company affect each other, and how the company fits into or is affected by its external environment), and are MOTIVATED TO MANAGE (an assessment of how enthusiastic employees are about managing the work of others). It is the latter two characteristics that tend to be stronger in higher-level managers. Conceptual skills increase in importance as managers rise through the management hierarchy. In addition, managers at higher levels usually have stronger motivation to manage than managers at lower levels.

113. Identify three of the five most significant mistakes made by managers.

ANSWER: Five of the most important mistakes made by managers are (1) being abrasive and intimidating; (2) being cold, aloof, or arrogant; (3) betraying trust; (4) being overly ambitious; and (5) failing to build a team and then delegate to that team.

114. Briefly explain how and why companies can create competitive advantage through people.

ANSWER: Well-managed companies are competitive because their work forces are smarter, better trained, more motivated, and more committed. Furthermore, companies that practice good management consistently have greater revenues and profits than companies that don't. Finally, good management matters because good management leads to satisfied employees who, in turn, provide better service to customers. Because employees tend to treat customers the same way that their managers treat them, good management can improve customer satisfaction.

Essay

115. Top managers are responsible for (1) creating a context for change, (2) developing attitudes of commitment and ownership, (3) creating a positive organizational culture through words and actions, and (4) monitoring their company's business environment. Of these four dimensions, which ones do you think can also be significantly impacted by the day-to-day actions of middle managers, first-line managers, and team leaders? Explain the rationale for your answer.

ANSWER: Lower-level managers in their day-to-day activities probably could not impact two of the four dimensions significantly. These are (1) creating a context for change and (4) monitoring their company's business environment. Regarding both of these dimensions, lower-level managers have neither the time available to collect the necessary information for analysis, synthesis, and decision-making nor the authority to develop and put in place overall strategies, visions, or mission statements. On the other hand, the day-to-day treatment of peers, subordinates and other employees will often have an impact on the attitudes and commitment of those employees and their personal acceptance of responsibility for their share of the company's performance (i.e., dimension 2, developing attitudes of commitment and ownership). Similarly, by their actions, lower-level managers can demonstrate the importance of, and their commitment to, company values and strategies (i.e., dimension 3, creating a positive organizational culture through words and actions). Thus, they can support and enhance a positive organizational culture through their words and action by demonstrating those values and commitments to all employees through their personal behavior. Employees will be more likely to accept and support the organization's culture if they see managers at all levels "living the culture" in their day-to-day work.

116. Compare and contrast the managerial roles of liaison, spokesperson, and negotiator. Explain both the similarities that link these roles behaviorally and the differences Mintzberg draws between them.

ANSWER: The roles of liaison, spokesperson, and negotiator are all subroles within Mintzberg's larger framework of three major roles fulfilled by managers while performing their jobs. The liaison is an interpersonal subrole, the spokesperson is an informational subrole, and the negotiator is a decisional subrole. From the behavioral point of view, each of these subroles is characterized by direct communication between the manager and other people. Specifically, in the liaison role, managers deal with people outside their units. For example, a production manager might meet with an engineering manager to develop solutions to problems. In the spokesperson role, managers share information with people outside their departments and companies. For example, a CEO might explain company performance to the board of directors. In the negotiator role, managers negotiate schedules, projects, goals, outcomes, resources, and employee raises, as, for example, in negotiating a union contract. Thus, there is considerable similarity and overlap in these roles from the perspective of the behavior of the manager. Mintzberg differentiates them in terms of their primary focus. In the case of behavior associated with the liaison role, the primary focus is on dealing with people outside of the managers' unit (as opposed to their own subordinates or bosses), thus the role is interpersonal in nature. In the case of the spokesperson, the primary focus is on the sharing of information with people outside their units or companies, thus the role is informational in nature. Finally, in the case of the negotiator, the primary focus is on making or influencing decisions in a manner that will benefit the company, thus the role is decisional in nature.

117. Compare and contrast the relative importance of the four characteristics that companies look for in managers as they rise through the management hierarchy. That is, describe the similarities and differences in these characteristics among lower, middle, and upper-level managers and explain the reasons for the differences.

ANSWER: Companies look for four sets of characteristics in individuals to be promoted into the managerial ranks at any level. These characteristics are technical skills, human skills, conceptual skills, and motivation to manage. In terms of similarities, all four of these skills are required in anyone who wants to be a manager. Companies do not want one-dimensional managers. They want managers with a balance of skills. They want managers who know their stuff (technical skills), are equally comfortable working with blue-collar and white-collar employees (human skills), are able to assess the complexities of today's competitive marketplace and position their companies for success (conceptual skills), and want to assume positions of leadership and power (motivation to manage). However, there are differences in the relative importance of each of these characteristics to managerial success at different levels of the management hierarchy. Technical skills are most important for lower-level managers, because these managers supervise the line workers who produce products or serve customers. Team leaders and first-line managers need technical knowledge and skills to train new employees and help them solve problems as well as to solve the problems that their employees cannot handle. Although technical skills become less important as managers rise through the managerial ranks, they do retain importance at all levels. Human skill (the ability to work well with others) is equally important at all levels of management. However, since lower-level managers spend much of their time solving technical problems, upper-level managers may actually spend more time dealing directly with people. Both conceptual skills and motivation to manage increase in importance as managers rise through the managerial ranks. Conceptual skill is the ability to see the organization as a whole, how the different parts of the company affect each other, and how the company fits into or is affected by elements of its external environment such as the local community, social and economic forces, customers, and competition. Good managers have to be able to recognize, understand, and reconcile multiple complex problems and perspectives. Motivation to manage is an assessment of how motivated employees are to interact with superiors, participate in competitive situations, behave assertively toward others, tell others what to do, reward good behavior and punish poor behavior, perform actions that are highly visible to others, and handle and organize administrative tasks. Managers typically have a stronger motivation to manage than their subordinates, and managers at higher levels usually have stronger motivation to manage than managers at lower levels. Furthermore, managers with stronger motivation to manage are promoted faster, are rated by their employees as better managers, and earn more money than managers with a weak motivation to manage. Thus, both conceptual skills and motivation to manage are particularly important to upper-level managers.

118. Describe the transition to management during the first year. Explain how this illustrates the chapter's emphasis on human skills as being more important than technical skills for success or failure in management.

ANSWER: Managers often begin their jobs by using more formal authority and emphasizing their role as boss in the management of tasks. New managers typically do not believe that their job is to manage people, other than handling the tasks of hiring and

firing. However, most managers find that being a manager has little to do with "bossing" their subordinates. After six months on the job, many managers are surprised at the fast pace, the heavy workload, and that "helping" their subordinates was viewed as interference. In short, they come to realize that their initial expectations about managerial work were wrong. After a year on the job, most managers no longer think of themselves as doers, but as managers who get things done through others. In making the transition, they finally realize that people management is the most important part of their job. By the end of one year, most managers abandon their authoritarian approach for one based on communication, listening, and positive reinforcement. In completing this classic transition from "doer" to "manager," they stop trying to do everything themselves and emphasize getting work done through others. In this way, their previous satisfaction (as individual contributors) with the direct production of goods or services is replaced with the "thrill" of coaching and developing the people who work for them. As the basic activities occupying their time change, their need for technical skills lessens, while their need for human skills remains crucial to their success. In fact, five of the most important mistakes that managers make revolve around people skills rather than technical skills. These are: being abrasive and intimidating; being cold, aloof, or arrogant; betraying trust; being overly ambitious; and failing to build a team and then delegate to that team. Thus, human skills clearly are more important than technical skills for success or failure in management.