

Fundamentals of Management, 9e
Chapter 1 Managers and Management

1) Part of what defines an organization is its purpose.

Answer: TRUE

Explanation: The goals or purpose of an organization define the organization's reason for existing. Without a common purpose, a group of individuals does not qualify as an organization.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

2) All organizations have a structure that in some ways serves to define and limit the behavior of members of the organization.

Answer: TRUE

Explanation: The structure of an organization, whether formal or informal, defines how organization members interact. For example, a school's informal guidelines might determine how teachers fraternize. A school's formal guidelines might set up rules for interaction between students and teachers.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

3) In order to be considered a manager, an individual must direct or oversee the work of others.

Answer: TRUE

Explanation: Directing and overseeing work distinguishes managers from nonmanagerial employees. Managers direct and oversee work of others. Nonmanagerial employees have no supervisory responsibilities.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

4) A manager does not work directly on tasks for the organization.

Answer: FALSE

Explanation: Managers may work on tasks in addition to their supervisory duties. For example, a manager of a shop that designs clothing may also create designs on his or her own.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

5) Supervisors and team leaders may both be considered first-line managers.

Answer: TRUE

Explanation: First-line managers are managers who oversee workers directly and are involved in day-to-day operations. For example, a team manager in an auto assembly plant might oversee and help solve everyday problems that arise on the assembly line. Higher-level managers typically would not spend time helping to solve assembly line problems directly.

Diff: 1

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

6) Effectiveness refers to the relationship between inputs and outputs.

Answer: FALSE

Explanation: Efficiency is concerned with maximizing the output-to-input ratio. Effectiveness, on the other hand, refers not to how well resources are used but to which resources to use, and whether or not those resources help the organization attain its goals.

Diff: 2

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

7) A goal of efficiency is to minimize output costs while maximizing input costs.

Answer: FALSE

Explanation: The goal of efficiency is the opposite—to maximize outputs while minimizing inputs. An efficient operation uses the fewest resources to generate the greatest amount of product.

Diff: 2

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

8) Effectiveness refers to the attainment of the organization's goals.

Answer: TRUE

Explanation: Effectiveness is concerned with "doing the right things"—choosing the tasks that will help the organization achieve its goals. Efficiency, on the other hand, refers to "doing things right," that is, once tasks are chosen they are done with a minimum of waste.

Diff: 2

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

9) Managers who are effective at meeting organizational goals always act efficiently.

Answer: FALSE

Explanation: A manager may be effective but not efficient. For example, a manager may excel at achieving goals but waste a lot of money, energy, and resources in achieving them.

Diff: 3

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

10) The four contemporary management processes are planning, organizing, leading, and commanding.

Answer: FALSE

Explanation: Leading is a term that replaced commanding and coordinating. So commanding is considered to be part of leading and not distinct from it.

Diff: 1

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

11) Determining who reports to whom is part of the controlling function of management.

Answer: FALSE

Explanation: The controlling function is largely a process of monitoring and evaluation. Subordinates are observed to see if they are working efficiently. Programs are evaluated to make sure they are progressing toward organizational goals. Deciding who reports to whom is not a part of this function.

Diff: 1

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

12) Providing motivation is part of the controlling function of management.

Answer: FALSE

Explanation: Motivating employees falls under the category of leadership for a manager, not controlling.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

13) Defining goals is a key part of the organizing function of management.

Answer: FALSE

Explanation: Defining goals for an organization is part of the planning, rather than the organizing, function of management. Usually only top managers participate in defining broad, strategic goals, while all managers define goals for practical levels of organization operation.

Diff: 1

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

14) Deciding who will be assigned to which job is a part of the leading function of management.

Answer: FALSE

Explanation: Assigning tasks falls largely in the category of organizing. Leading is concerned with directing and motivating employees.

Diff: 1

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

15) Fayol's management processes are completely equivalent to Mintzberg's management roles.

Answer: FALSE

Explanation: Fayol's four functions of management are planning, leading, controlling, and organizing. Mintzberg's categories include some of these functions, such as leading and making planning decisions, but leave out the others. Though the two systems can ultimately be reconciled with one another, it would be a stretch to say that they are equivalent. The strength of the two systems is that they represent different points of view and provide two different lenses with which to observe and analyze management.

Diff: 3

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

16) In Mintzberg's view, the roles of figurehead, leader, and liaison are all interpersonal roles.

Answer: TRUE

Explanation: Mintzberg sees the manager's interpersonal chores as providing motivation and support (leading), representing the part of the organization you control (figurehead), and connecting with other parts of the organization and/or the outside world (liaison).

Diff: 2

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

17) Disturbance handler is one of Mintzberg's interpersonal roles.

Answer: FALSE

Explanation: Though "disturbance handler" sounds like an interpersonal role, it falls under Mintzberg's category of decisional roles. A disturbance handler must decide how to address problems that arise in a way that will best benefit the organization.

Diff: 2

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

18) A key difference between Fayol's and Mintzberg's view of management is that Fayol's view was based on empirical observations of managers in action.

Answer: FALSE

Explanation: It was Mintzberg, rather than Fayol, who based his categories on what managers actually do. Fayol's categories were based on experience, but his data was not collected in a systematic manner.

Diff: 2

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

19) Most people who study management think that Fayol's categories are more useful than Mintzberg's.

Answer: TRUE

Explanation: Though Fayol's scheme was not based on scientifically collected data, the simplicity of his categories has made it more popular in management circles than Mintzberg's more complicated scheme.

Diff: 2

AACSB: Reflective thinking

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

20) A typical first-level manager spends more of his or her time leading than planning.

Answer: TRUE

Explanation: Of the three managerial levels, first-level managers proportionally spend the most time leading and the least time planning. Typically, first-level managers spend about twice as much time leading as they do planning.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

21) Because profit, or the "bottom line," is not the measure of success for not-for-profit organizations, managers of charitable organizations do not have to concern themselves with the financial aspects of their organizations.

Answer: FALSE

Explanation: Managers of non-profit organizations are interested in the financial aspects of their organizations primarily for reasons of efficiency. Generally, the less money and resources they waste in being inefficient, the more they have for attaining their actual goals.

Diff: 2

AACSB: Reflective thinking

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

22) All managers devote at least some of their time to planning.

Answer: TRUE

Explanation: Though higher-level managers generally do more planning, even the lowest first-level manager will spend some of his or her time planning. Generally, the lower the manager, the less strategic his or her planning is likely to be.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

23) A manager in a large business generally will spend more of his or her time as a spokesperson and entrepreneur than his or her counterpart in a small business.

Answer: FALSE

Explanation: Only the very top managers in a large firm spend much time in spokesperson and entrepreneurial roles. In a small firm, a manager is much more likely to take on the role as a spokesperson or a "rainmaker" who procures new business.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

24) The political skills of a manager consist mainly of the ability to understand the workings of government and to present information effectively to others in the form of political speechmaking.

Answer: FALSE

Explanation: Political skills have little to do with making speeches or understanding government. Instead, political skills for a manager involve acquiring a power base within an organization of loyal allies who pledge support.

Diff: 3

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

25) Technical skills involve a manager's ability to think logically and effectively about abstract situations.

Answer: FALSE

Explanation: Thinking logically about abstract situations is a conceptual skill rather than a technical skill.

Diff: 2

AACSB: Use of information technology

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

26) A small business manager in many ways combines the roles of top manager and first-line manager in a large business.

Answer: TRUE

Explanation: A small business manager is usually a generalist. He or she may map out planning strategy like a top manager at one point in a day and supervise workers like a first-line manager during a different point in a day.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

27) A business can have 350 employees and still be considered a small business.

Answer: TRUE

Explanation: A small business may have up to 500 employees if it doesn't engage in any major innovative practices or have a large impact on its industry.

Diff: 1

Objective: 1.4

Learning Outcome: Describe the entrepreneurship process and identify opportunities for different types of entrepreneurship

28) Management has an impact on all businesses, but there are almost no examples of businesses that have failed because of poor management.

Answer: FALSE

Explanation: Examples of businesses that have filed for bankruptcy due to poor management include Gimbel's, Dave & Barry's, Circuit City, Enron, and many others.

Diff: 2

Objective: 1.4

Learning Outcome: Describe the entrepreneurship process and identify opportunities for different types of entrepreneurship

29) The study of economics is useful only to top managers.

Answer: FALSE

Explanation: Economics is useful to all managers because it deals with topics that are often directly related to business such as finance, markets, competition, and the allocation of resources. Understanding these subjects can give managers insight into how to analyze the current business situation and how to plan for the future.

Diff: 2

AACSB: Reflective thinking

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

30) Studying management can be extremely useful even for those who don't plan to be managers themselves.

Answer: TRUE

Explanation: Most people will either be managers or be managed. Studying management helps people deal with the managers in their lives.

Diff: 1

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

31) Which of the following is the most accurate statement regarding managers in today's world?

A) There is a greater need for customer focus than ever before.

B) Managers are found almost exclusively in large corporations that have more than 500 employees.

C) Managers are found almost exclusively in for-profit organizations.

D) More than half of today's managers are women.

Answer: A

Explanation: A) Organizations need customers. Without them, most organizations would cease to exist. Yet, focusing on the customer has long been thought to be the responsibility of marketing people. "Let the marketers worry about the customers" is how many managers felt. We're discovering, however, that employee attitudes and behaviors play a big role in customer satisfaction.

Diff: 2

AACSB: Multicultural and diversity understanding

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

32) An organization is _____.

- A) the physical location where people work
- B) any collection of people who perform similar tasks
- C) a deliberate arrangement of people to accomplish some specific purpose
- D) a group of individuals focused on profit-making for their shareholders

Answer: C

Explanation: C) By definition, an organization is a deliberate arrangement of people who have a common purpose or goal. An organization may or may not exist in a discrete physical location. For example, many of today's political advocacy organizations exist largely as online entities without a primary physical location. Though some people in an organization may perform similar tasks, many do not. For example, doctors and administrators may both work for the same hospital organization but perform very different tasks. Finally, focus on profit does not determine an organization. Many organizations, such as a bird-watching club, do not include profit as a goal.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

33) All organizations have _____ that define(s) the organization's purpose and reason for existing.

- A) limits
- B) rules
- C) structure
- D) goals

Answer: D

Explanation: D) An organization's goals define its purpose and reason for existing. For example, the goals of a bank might be to make money, while the goals of a church choir might be to create beautiful music. Rules can help an organization achieve its goals, but rules do not explicitly define those goals. Organizational structure defines and limits how people within an organization interact, but structure on its own is not something that serves to define an organization's purpose.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

34) One of the common characteristics of all organizations is _____ that define(s) rules, regulations, and values of the organization.

- A) a set of written bylaws
- B) an explicit goal
- C) a systematic structure
- D) a stated purpose

Answer: C

Explanation: C) An organization's structure identifies organizational values that include behavioral standards, customs, ethical mores, and conventions that delineate relationships between organization members. The structure of an organization need not be formally written as bylaws. The goals and purpose of an organization can influence its values, but neither of these items can be said to *define* an organization's values.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

35) A fraternity is an example of an organization because it is comprised of people who _____.

- A) share the same values, traditions, and customs
- B) share the same goals and values
- C) share goals and function within a common structure
- D) function under the same set of rules and regulations

Answer: C

Explanation: C) Members of an organization must not only share the same goals, they must all work within a common structure to attain those goals. To grasp this distinction, compare two baseball players on different teams: both may share the same goal of winning the World Series, but they belong to different organizations. Similarly, simply sharing values or rules is not sufficient to identify or differentiate an organization. To make up an organization, people need to belong to a shared structure or institution and have common goals.

Diff: 2

AACSB: Analytic thinking

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

36) Which of the following is a key difference between managerial and nonmanagerial employees?

- A) Managerial employees receive higher pay compensation.
- B) Nonmanagerial employees have less formal education.
- C) Nonmanagerial employees do not oversee the work of others.
- D) Managerial employees work longer hours.

Answer: C

Explanation: C) The distinction between managerial and nonmanagerial employees resides solely in overseeing work. Managers have the responsibility of supervising and directing work of others. Nonmanagerial employees do not have this responsibility. Managers may or may not receive better compensation, have more education, or work longer hours than nonmanagers—so none of these criteria can serve to distinguish between the two.

Diff: 1

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

37) The primary job of a manager is to _____.

- A) make decisions that help an organization grow
- B) tackle tasks that are too difficult for nonmanagerial employees
- C) coordinate between organization leaders and ordinary employees
- D) direct and oversee the work of others

Answer: D

Explanation: D) Though managers may make important decisions, tackle difficult tasks, or coordinate between leaders and lower-level employees, a manager's primary job is to supervise the work of others. The supervisory role is what distinguishes managers from nonmanagers.

Diff: 1

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

38) The work of a manager _____.

- A) is strictly limited to overseeing and monitoring the work of others
- B) may involve performing tasks that are not related to overseeing others
- C) involves only high-level tasks that require a sophisticated skill set
- D) does not involve interaction with nonmanagerial employees

Answer: B

Explanation: B) The primary job of a manager is to oversee work of others. However, this does not preclude a manager from performing tasks on his or her own that do not involve supervision of others. An example of a manager not being limited to supervising would be an art director at a book company who supervises work of others but also creates artworks on her own. Tasks performed by managers are not necessarily high level and may involve interaction with nonmanagerial workers, so neither of these choices is correct.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an

organization

39) *Supervisor* is another name for which of the following?

- A) team leader
- B) middle manager
- C) first-line manager
- D) top manager

Answer: C

Explanation: C) An organization's management hierarchy typically follows this progression: first-line manager, middle manager or team leader, and top manager. This sequence usually reflects the degree to which managers are involved in planning and making higher-order decisions. The lowest position in the sequence, the first-line manager, is generally more involved in *supervising* others than making higher-order decisions, so this individual is often termed a *supervisor*. Managers higher in the chain of command do less *supervising* than first-line managers so they are less likely to be called a *supervisor*.

Diff: 1

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

40) Which of the following types of managers is responsible for making organization-wide decisions and establishing the plans and goals that affect the entire organization?

- A) team leader
- B) top manager
- C) department head
- D) project leader

Answer: B

Explanation: B) In a typical management hierarchy, the individuals responsible for making higher-order decisions that involve planning, goals, policy, and philosophy are the top managers. Team leaders are generally first-line managers at the bottom of the hierarchy who are least involved with higher-order goals. Department heads and project leaders are titles for middle managers who are more involved with the implementation rather than the making of goals and policy.

Diff: 1

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

41) Which is an important job responsibility for a middle manager?

- A) defining the organization's long-term goals
- B) translating goals defined by top managers into action
- C) helping top managers define goals
- D) performing tasks that are not related to long-term goals

Answer: B

Explanation: B) In an organization, top management typically defines long-term goals, then enlists middle managers to find ways to achieve those goals. Thus, middle managers are not involved in identifying long-term goals in any way. The job of a middle manager is very involved with long-term goals, it just doesn't involve *defining* those goals.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

42) Which of the following identifies a manager who does NOT typically supervise other managers?

- A) unit chief
- B) shift manager
- C) vice president
- D) division manager

Answer: B

Explanation: B) All but first-line managers are responsible at least in part for overseeing the work of other managers. The shift manager is the only first-line manager in this group. A unit chief and division manager are both titles for middle managers who oversee other managers. A vice president is a top management position that is usually heavily involved with the management of other managers.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

43) Of the following, which is the lowest level of management?

- A) a nonmanagerial employee
- B) an individual involved in defining the organization's philosophy
- C) a vice president
- D) a middle manager

Answer: D

Explanation: D) The middle manager represents the lowest managerial position among the choices given here, but it is not the lowest position in the managerial hierarchy. Individuals who rank above a middle manager include a vice president and an individual who defines organizational philosophy, both of whom would qualify as top managers. Finally, a nonmanagerial employee is lowest in the hierarchy among these choices, but this individual is not a part of management.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

44) All levels of management between the supervisory level and the top level of the organization are termed _____.

- A) middle managers
- B) first-line managers
- C) supervisors
- D) team leaders

Answer: A

Explanation: A) Middle management is defined as those individuals who are between top management and the team leaders, supervisors, and other first-line managers who make up the supervisory level of management. Any manager who is (1) not a part of top management and (2) not primarily a supervisor of nonmanagerial employees is classified as a middle manager.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

45) Which of the following levels of management is associated with positions such as executive vice president, chief operating officer, chief executive officer, and chairperson of the board?

- A) team leaders
- B) middle managers
- C) first-line managers
- D) top managers

Answer: D

Explanation: D) All of the titles listed above—executive vice president, chief operating officer, chief executive officer, and chairperson of the board—are executive positions that are typically part of an organization's top management. Team leaders are types of first-line managers and are not part of top management. Any positions that include *executive* as part of the title would eliminate middle managers as a choice.

Diff: 1

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

46) Another term for efficiency is _____.

- A) doing the right things
- B) doing things right
- C) making sure things get done
- D) doing things at the right time

Answer: B

Explanation: B) Efficiency is often termed *doing things right* because the phrase denotes the manner in which tasks are carried out. The "right" way or efficient way correlates with a minimum of wasted time, money, energy, and resources. "Doing the right things," on the other hand, refers to effectiveness, not efficiency. Making sure that things get done and doing things at the right time are both often part of an efficient undertaking, but neither effort could be said to define efficiency.

Diff: 2

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

47) Which of the following might be an example of increased efficiency in manufacturing?

- A) cutting the amount of labor required to make the product
- B) cutting the price of the product
- C) increasing sales of the product
- D) increasing advertising for the product

Answer: A

Explanation: A) Efficiency must involve reducing the input-to-output ratio in some way. Cutting the amount of labor reduces the amount of input and so marks an increase in efficiency. Cutting the price does not affect the amount of resources and labor that go into the product, nor does it improve the product itself, so it is not an efficiency measure. Increasing sales and advertising similarly do not change the input-output ratio so they do not increase efficiency.

Diff: 3

AACSB: Analytic thinking

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

48) Another term for effectiveness is _____.

- A) doing the right things
- B) doing things right
- C) doing things intelligently
- D) doing things when necessary

Answer: A

Explanation: A) Effectiveness is said to be "doing the right things" because effectiveness is concerned with obtaining results and reaching goals. Doing things "in the right way" results in efficiency rather than effectiveness. Note that an enterprise can be effective—i.e., it can attain goals—without being efficient in such areas as keeping costs and resources down. Doing things intelligently is clearly part of an effective effort without being critical to it. The same can be said of doing things when necessary—it is not a critical part of an effective effort.

Diff: 2

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

49) Effectiveness is synonymous with _____.

- A) cost minimization
- B) smart management
- C) goal attainment
- D) efficiency

Answer: C

Explanation: C) Effectiveness is concerned with ends as opposed to means. Being effective means "getting the job done" (attaining goals), while being efficient is concerned with "how the job got done" and such things as cost minimization. While effective operations usually feature smart management, the two are not necessarily synonymous.

Diff: 2

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

50) Efficiency refers to _____.

- A) the relationship between inputs and outputs
- B) the additive relationship between inputs and outputs
- C) the inverse relationship between inputs and outputs
- D) decreasing inputs only

Answer: A

Explanation: A) Mathematically, efficiency is measured as a ratio of inputs to outputs. For example, in physics the ratio of input energy to output energy defines a machine's efficiency. The same principles apply to management. Efficiency is measured as the ratio of input energy, or other resources such as costs or labor, to the amount of product or output created. The input-output ratio is neither additive nor inverse but rather directly proportional in some way. Finally, though decreasing inputs can increase efficiency, it is not the only way to increase efficiency.

Diff: 2

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

51) Good management strives for _____.

- A) low efficiency and high effectiveness
- B) high efficiency and low effectiveness
- C) high efficiency and high effectiveness
- D) moderate efficiency and moderate effectiveness

Answer: C

Explanation: C) High efficiency and high effectiveness are both things that managers seek to obtain. High efficiency is associated with minimal waste and a maximum of production. High effectiveness is associated with success in achieving goals. Low or moderate measures of efficiency or effectiveness are clearly inferior to a high amount of each quality.

Diff: 2

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

52) A candy manufacturer would increase both efficiency and effectiveness by making _____.

- A) better candy at the same cost
- B) better candy at a lower cost
- C) the same candy at a lower cost
- D) the same candy at the same cost

Answer: B

Explanation: B) Increasing efficiency involves making the product at lower cost. Increasing effectiveness means making a better product. So increasing efficiency and effectiveness would entail making a better product at a lower cost. Any other combination of the two variables—not improving the cost or the quality of the candy—would not be an improvement in both efficiency and effectiveness.

Diff: 3

AACSB: Analytic thinking

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

53) A candy manufacturer that made candy at a lower cost without improving the quality of the candy could be said to _____.

- A) increase effectiveness without increasing efficiency
- B) increase efficiency without increasing effectiveness
- C) increase both effectiveness and efficiency
- D) decrease both effectiveness and efficiency

Answer: B

Explanation: B) Lowering cost is a measure of increased efficiency. Making better candy is a measure of increased effectiveness. So lowering cost for unimproved candy shows an increase in efficiency but not effectiveness.

Diff: 3

AACSB: Analytic thinking

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

54) The "father" of scientific management was _____.

- A) Henri Fayol
- B) Robert L. Katz
- C) Henry Mintzberg
- D) Frederick Winslow Taylor

Answer: D

Explanation: D) Fayol worked about the same time period as Taylor and was also fairly "scientific" in his approach. However, Taylor was the person who stressed being "scientific" and coined the term *scientific management* in his 1911 book. Mintzberg and Katz also contributed to ideas about scientific management, but both of these thinkers came later.

Diff: 2

Objective: 1.2

Learning Outcome: Summarize the major historical and current approaches to management

55) Taylor began to develop his theory of _____ after a result of viewing workers in steel companies.

- A) the functions of management
- B) ethics-based management
- C) management skills
- D) scientific management

Answer: D

Explanation: D) Taylor's scientific management theory posited that efficiency in organizations could be improved by studying organizations objectively and systematically. The functions of management were developed by Fayol. Management skills were identified by Katz. Ethics-based management is not a known theory of management.

Diff: 2

AACSB: Use of information technology

Objective: 1.2

Learning Outcome: Summarize the major historical and current approaches to management

56) A major contribution that Taylor made to the study of management was _____.

- A) to measure efficiency on a 4-star scale
- B) to identify the one best way to get a job done
- C) to identify the three best ways to get a job done
- D) to measure inefficiency on a 4-star scale

Answer: B

Explanation: B) Taylor measured efficiency and inefficiency, but he did not rank them on a star scale. What Taylor did do was collect data to identify the "one best way" to do a job; that is, the most efficient and effective way to complete a task. Taylor focused on only a single best way.

Diff: 2

AACSB: Use of information technology

Objective: 1.2

Learning Outcome: Summarize the major historical and current approaches to management

57) Which of the following did Taylor NOT find "appalling" in his study of workers in steel companies?

- A) Workers "took it easy" on the job.
- B) Workers employed different techniques for the same job.
- C) Workers would only attempt to perform a job if they were shown to have aptitude for it.
- D) Worker output was only about one-third of what was possible.

Answer: C

Explanation: C) Taylor indeed discovered that workers did not work hard on the job, did not have standardized methods and techniques for completing a task, and only accomplished a fraction of their theoretical work potential. All of the above dismayed Taylor greatly, convincing him that the situation could be greatly improved with the application of standardized work rules and task methodology. The one thing in the list that Taylor did not discover was workers who refused to work at jobs they did not have aptitude for. In fact, he found that the reverse situation existed—workers performed jobs that they had no aptitude for—this constituted yet another practice that was appalling to Taylor.

Diff: 3

AACSB: Use of information technology

Objective: 1.2

Learning Outcome: Summarize the major historical and current approaches to management

58) Today, the basic management functions are considered to be _____.

- A) planning, coordinating, leading, and monitoring
- B) planning, organizing, leading, and motivating
- C) commanding, organizing, leading, and decision making
- D) planning, organizing, leading, and controlling

Answer: D

Explanation: D) The four functions are planning, organizing, leading, and controlling. The other choices include part of these functions (coordinating is a part of planning; monitoring is a part of controlling; motivating is a part of leading; and decision making is a key part of all managerial functions).

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

59) How many management functions were originally proposed by Henri Fayol?

- A) three: plan, organize, lead
- B) four: plan organize, lead, control
- C) five: plan, organize, command, coordinate, control
- D) ten: 3 interpersonal, 3 informational, 4 decisional

Answer: C

Explanation: C) Fayol originally proposed five management functions: plan, organize, command, coordinate, and control. Two of the five, command and coordinate, were later condensed into a single function, "lead"—so leadership was clearly not one of Fayol's original functions. Later, Henry Mintzberg proposed a different scheme with ten roles.

Diff: 1

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

60) Which of the following is NOT considered to be a part of the planning function of a manager?

- A) defining goals
- B) motivating
- C) mapping out strategy
- D) making decisions

Answer: B

Explanation: B) Defining goals and mapping out strategy are both fundamental parts of the planning function. Making decisions is not explicitly identified as being part of the planning function, but it is clearly part of all managerial functions and so must be ruled out as a correct answer here. This leaves motivating which is a part of the leading function rather than the planning function.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

61) The controlling management function is largely a matter of _____.

- A) resolving conflicts
- B) determining what needs to be done
- C) monitoring to see that tasks are accomplished
- D) enforcing rules for employees

Answer: C

Explanation: C) Resolving conflicts falls under the category of leading, while determining what needs to be done is an organizing task. A minor part of controlling may involve enforcing of employee rules, but monitoring represents a much better choice, as the main goal of controlling is to make sure that tasks are being accomplished as planned.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

62) Organizing includes _____.

- A) defining organizational goals
- B) resolving conflicts
- C) motivating organizational members
- D) determining who does what tasks

Answer: D

Explanation: D) The key part of the organizing function requires the manager to assign tasks to different organization members. For example, a bicycle racing team's manager will assign roles for each rider to cover during a race. Defining goals is a planning function, while resolving conflicts and motivating are both part of the leadership function.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

63) Resolving a conflict would be considered to fall under which managerial function?

- A) controlling
- B) planning
- C) directing
- D) leading

Answer: D

Explanation: D) Conflict resolution is thought to fall under the leading function. Controlling is defined largely as a monitoring function and does not include resolving conflicts. Resolving conflicts is also not a subfunction of planning. Finally, directing is not one of the four major functions and is actually part of leading itself.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

64) An important part of the controlling function is _____.

- A) evaluating
- B) structuring
- C) coordinating
- D) punishing

Answer: A

Explanation: A) Once tasks are assigned and work is ongoing, a manager must assess the performance of organization members to see if the work is being carried out successfully. Structuring and coordinating are subfunctions of the organizing function. In extreme cases, punishment might be considered a part of controlling, but evaluating is clearly a much more common part of the controlling function.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

65) _____ developed a categorization scheme for defining what managers do, consisting of 10 different but highly interrelated roles.

- A) Henri Fayol
- B) Robert L. Katz
- C) Henry Mintzberg
- D) Henry Ford

Answer: C

Explanation: C) Henry Mintzberg's scheme was developed after careful observations of managers in action and includes three interpersonal roles, three informational roles, and four decisional roles for a manager. Fayol developed the five (later changed to four) functions for a manager. Katz focused on managerial skills, not activities, while Henry Ford was, of course, a famed industrialist who did not contribute to management theory.

Diff: 2

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

66) Giving a speech at an organization banquet would fall into which Mintzberg category?

- A) informational
- B) interpersonal
- C) decisional
- D) entrepreneurial

Answer: B

Explanation: B) Speechmaking sounds like it fits Mintzberg's "spokesperson" category, which is an informational role. However, a banquet speech would be likely to be more inspirational than informational, so it would better fit the interpersonal role of leader and figurehead. The decisional category does not describe the largely social function of making a speech. The entrepreneurial role is a subcategory of the decisional role, so it is incorrect here also.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

67) Mintzberg developed his ten managerial roles by _____.

- A) sending out questionnaires to thousands of managers
- B) observing hundreds of managers over several years
- C) closely monitoring the work activities of five chief executives
- D) using common sense to analyze the situation

Answer: C

Explanation: C) Mintzberg's conclusions were not the result of observing hundreds of managers or sending out thousands of questionnaires. Instead, Mintzberg developed his roles after closely observing five executives in action while they were on the job. Mintzberg undoubtedly used common sense to draw some of his conclusions, but common sense was clearly not the primary means by which he created his categories.

Diff: 2

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

68) According to Mintzberg, which of the following fit into the category of interpersonal roles?

- A) figurehead, leader, and liaison
- B) negotiator, liaison, and figurehead
- C) monitor, leader, and resource allocator
- D) disturbance handler, liaison, and negotiator

Answer: A

Explanation: A) The three roles that make up the interpersonal roles are figurehead, leader and liaison. The roles that make up informational roles are monitor, disseminator, and spokesperson. The roles that make up decisional roles are entrepreneur, disturbance handler, resource allocator, and negotiator.

Diff: 3

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

69) A pharmaceutical company manager attending a meeting of academic scientists would be functioning in which role?

- A) informational
- B) figurehead
- C) liaison
- D) decisional

Answer: C

Explanation: C) A liaison functions as a link from one organization to another. In this case, the manager would be linking her for-profit organization to an organization that might provide it with valuable expertise or information. The other choices here are all somewhat valid as the manager would need to procure information, represent her company, and make decisions. However, the liaison role is a much better fit for this situation.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

70) A finance manager who reads the *Wall Street Journal* on a regular basis would be performing which role?

- A) leader
- B) monitor
- C) disseminator
- D) liaison

Answer: B

Explanation: B) One of the responsibilities of a finance manager would be to keep track or monitor important events taking place in the business world. Reading the *Wall Street Journal* would be a good way to do this. After reading, the manager might disseminate some of the information he learned, but this would be secondary to the information monitoring function. A leader or liaison may indeed read a newspaper but only in the function of being an information monitor.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

71) The emphasis that managers give to various activities is generally based on their _____.

- A) organizational level
- B) tenure with the organization
- C) experience in their field
- D) skill specialty

Answer: A

Explanation: A) Studies show that all managers carry out the four basic functions of planning, organizing, leading, and controlling. However, the proportion of time they spend on these activities usually correlates with organizational level. Top managers, for example, tend to do more planning while first-line managers do more leading and supervising. Organizational tenure, experience, and skill specialty may contribute only in minor ways to how managers spend their time.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

72) Which of the following proved to be a surprising result of Mintzberg's data?

- A) Executives were not efficient.
- B) Managers were deliberate, reflective thinkers who methodically mapped out strategies.
- C) Managers could spend hours on a single activity during a typical day.
- D) Managers spent only a short period of time on each activity.

Answer: D

Explanation: D) Mintzberg's study exploded the idea that managers were careful deliberators or that they spent long periods of time painstakingly working out strategies. Instead, Mintzberg found that managers flitted quickly from one issue to another leaving little time for reflection. Mintzberg's study had little to say one way or another about how efficient this mode of activity was.

Diff: 2

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

73) The four managerial functions first described by Fayol are considered "classical" because _____.

- A) they were devised a long time ago
- B) most sources use them to categorize managers
- C) they date back to ancient Greece and Rome
- D) they are no longer popular today

Answer: B

Explanation: B) Fayol's functions are considered to be "classical" because of their usefulness and popularity. Most texts and authorities on managerial matters use the four functions because they are simple, elegant, and powerful in insight. Being considered "classical" has nothing to do with when the categories were devised. "They are no longer popular today" can also be eliminated since it is factually incorrect.

Diff: 2

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

74) All of the following are examples of informational roles according to Mintzberg EXCEPT _____.

- A) entrepreneur
- B) monitor
- C) disseminator
- D) spokesperson

Answer: A

Explanation: A) The role of an entrepreneur in an organization is typically to identify and procure new business opportunities. In Mintzberg's scheme, an entrepreneur takes on a decisional role in deciding where to look for opportunities and which ones to invest in. The other three choices here—monitor, disseminator, and spokesperson—are informational in nature. A monitor keeps track of information. Both a disseminator and spokesperson distribute information.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

75) Which of the following is NOT an example of a decisional role according to Mintzberg?

- A) spokesperson
- B) entrepreneur
- C) disturbance handler
- D) resource allocator

Answer: A

Explanation: A) Mintzberg sees entrepreneur, disturbance handler, and resource allocator as decisional roles. The entrepreneur must decide which opportunity to select. A disturbance handler must stand in judgment of individuals in a conflict. A resource allocator must decide how to divide resources. Mintzberg sees a spokesperson having a primary function of communicating what has already been decided.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

76) One managerial function that is identical in both Fayol's and Mintzberg's systems is _____.

- A) leader
- B) resource allocator
- C) monitor
- D) negotiator

Answer: A

Explanation: A) There is a great deal of overlap in the schemes of Fayol and Mintzberg, but only one category is identical in each system—that of leadership. The resource allocator role of Mintzberg corresponds to the organizing category of Fayol. Mintzberg's monitor category is taken by Fayol's controlling category. Finally, Mintzberg's negotiator role falls under Fayol's leading category.

Diff: 2

AACSB: Reflective thinking

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

77) The managerial role that changes the least between middle and top managers is _____.

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

Answer: C

Explanation: C) According to the studies summarized in the text, planning is the category that increases most, going from 18% of a manager's time to 28%. This is followed by organizing, which increases from 33% to 36%. Leading, in fact, decreases rather than increases by 14%. The category that increases least is controlling, which goes from 13% to 14%.

Diff: 2

AACSB: Analytic thinking

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

78) Non-profit organizations are different from for-profit organizations primarily _____.

- A) in the way make decisions
- B) in the way they measure success
- C) in the way they motivate employees
- D) in how they hire employees

Answer: B

Explanation: B) The big difference between for-profit and non-profit organizations is the way they "keep score" or measure success. For-profit organizations usually look at the "bottom line"—how much profit they make—as a way to measure success. Non-profits look at more varied metrics: a school may look at how well students test; a soup kitchen may look at how many people they help, and so on. The way organizations make decisions, motivate employees, and hire employees is virtually the same for both for-profit and non-profit organizations.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

79) The role of _____ is more important for managers of small organizations than for managers working in large corporations.

- A) disseminator
- B) spokesperson
- C) entrepreneur
- D) resource allocator

Answer: B

Explanation: B) A manager of a small organization must wear more than one hat at a time. In a small organization, a manager must frequently take on a role of spokesperson, the embodiment of the organization to the outside world. Less important for the small organization manager is the role of official disseminator of information, as that function is usually carried out in a more personal, informal manner in a small firm than in a large firm. Small firm managers must take on entrepreneurial duties but not to the extent that their spokesperson role takes. Finally, though resource allocator is a major part of a manager's job for a large firm, it plays almost no part in the priorities of a manager of a small firm.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

80) In a small organization, which of the following is NOT likely to be true?

- A) Planning is not likely to be an orchestrated ritual.
- B) Relationships are more likely to be informal.
- C) Workers are likely to be observed by computerized monitoring systems.
- D) The design of the organization is likely to be less structured and complex.

Answer: C

Explanation: C) A small firm is typically more flexible, less formal, less structured, and less complex than a large firm. Planning in a small firm is likely to be a freewheeling affair rather than follow a rigid protocol. One thing you would not see in a small firm would be computerized monitoring systems. Instead, you would expect monitoring to be done on a more personal basis, with plenty of opportunity for employees to rectify any mistakes they make.

Diff: 2

AACSB: Use of information technology

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

81) Which of the following is NOT a characteristic of a small business?

- A) has cutting edge, innovative business practices
- B) has about 200 employees
- C) is not a "player" with impact within its industry
- D) has a relatively small market share of its product

Answer: A

Explanation: A) A small business as defined has 500 or fewer employees, a small impact on its industry, and a fairly small market share of its product. What a small business would not have would be innovative business practices. Being innovative gives a firm the potential to have a large impact on its industry and can cause a firm to be categorized as large rather than small.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the innovation process and identify strategies for stimulating creativity and innovation

82) Why might a manager for a non-profit organization seem as concerned with his or her organization's financial well-being as a for-profit manager?

- A) Non-profit managers are evaluated on financial performance only.
- B) Non-profit managers try to give the illusion that they care about the "bottom line."
- C) Many not-for-profit organizations have tight budgets and must be very efficient.
- D) Non-profit organizations have an obligation to turn a profit.

Answer: C

Explanation: C) Many managers of non-profits have tight budgets, and though performance is never evaluated solely on finances, budgetary health is often critically important in helping the organization achieve its goals. Being concerned about the "bottom line" is never an illusion to these organizations. Though they are not obligated to be profitable, they are strongly motivated to use money efficiently to get the most "bang for their buck."

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

83) Which of the following is NOT considered a political skill for a manager?

- A) dominant personality
- B) networking ability
- C) social astuteness
- D) sincerity

Answer: A

Explanation: A) Political skills include the ability to network, or connect, with others within the organization, social astuteness, or the ability to read and interpret both the verbal and nonverbal signals that people transmit, and the ability to exhibit sincerity, or convey a sense of genuineness and authenticity. A dominant personality is not considered a necessary political skill and in many cases may work against rather than for an individual in attaining political power.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

84) Compared to the manager of a large organization, a small business manager is more likely to be a(n) _____.

- A) specialist
- B) figurehead
- C) generalist
- D) information monitor

Answer: C

Explanation: C) The nature of a small business requires its managers to be generalists and take on multiple roles that would be assumed by separate individuals in larger firms. For example, the manager of a bike shop might need to function as a long-range planner, salesperson, spokesperson, and task supervisor all at the same time. This requirement of versatility would rule out being a specialist. Though a small firm manager may function exclusively as a figurehead and information monitor from time to time, a more accurate description of his or her job would be as a generalist.

Diff: 1

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

85) Unlike the manager of a small business, the most important concerns of a manager in a large organization are focused _____.

- A) externally, particularly on entrepreneurial tasks
- B) internally, particularly on the allocation of resources
- C) on setting goals
- D) on planning ways to improve organizational structure

Answer: B

Explanation: B) Resource allocation is typically the most important concern for a manager in a large organization. For example, goals and structural issues in a large car company are likely to be well worked out, causing the manager to focus on apportioning the organization's ample resources wisely with respect to commitments of time, funds, manpower, and creative energy. Creation of new business opportunities are much less likely to be needed in a large firm than in a small one as the large firm may have entire departments devoted to that task.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

86) Which of the following statements regarding management and national culture is the most correct?

- A) The basic principles of management are universal.
- B) Research shows that managerial practices across all countries are not consistent.
- C) There are major differences in the way that most English speaking countries view management.
- D) The route of the differences between how countries practice management is based on their economic principles solely.

Answer: B

Explanation: B) If managerial concepts were completely generic, they would also apply universally in any country in the world, regardless of economic, social, political, or cultural differences. Studies that have compared managerial practices between countries have not generally supported the universality of management concepts.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

87) Which of the following would networking be most likely to help a manager accomplish?

- A) increasing efficiency
- B) increasing effectiveness
- C) defining goals
- D) building a power base

Answer: D

Explanation: D) Networking, or building social links to others within and outside of an organization, is unlikely to increase efficiency or effectiveness in any significant way. Building relationships can help a manager advance within an organization, but relationships by themselves are not likely to help tasks get accomplished. Networking per se would also be unlikely to improve goal definition, since linking to others would not necessarily provide insight into the goals that an organization needs. What networking would be likely to provide is a political power base for the networker. This in turn would provide support for ideas and programs that the networker wants to promote and help him or her rise in the organization's hierarchy.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

88) Almost all managerial tasks involve _____.

- A) decision making
- B) technical skills
- C) long-term planning
- D) superb political skills

Answer: A

Explanation: A) Some managerial tasks, such as motivating store employees, require little or no technical skill or long-term planning. Employee motivation employs a modicum of political skill—e.g., to enlist people to your cause—but a high-level political skill is generally not required. What can't be avoided at all levels of management is the necessity of making decisions. The manager trying to motivate employees, for example, must decide on the appropriate "carrots and sticks" to get his or her people to perform successfully.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

89) According to Katz, the four critical managerial skills can be classified as _____.

- A) technical, political, conceptual, and empirical
- B) interpersonal, political, empirical, and technical
- C) technical, interpersonal, political, and controlling
- D) technical, political, interpersonal, and conceptual

Answer: D

Explanation: D) Empirical skills are not a part of Katz's scheme. Controlling is a Fayol category for managerial function, not a Katz skill category.

Diff: 1

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

90) Understanding building codes would be considered a(n) _____ skill for a building contractor.

- A) interpersonal
- B) technical
- C) conceptual
- D) political

Answer: B

Explanation: B) Building codes have little to do with understanding and relating to people, so interpersonal skills and political skills can be ruled out for this question. Interpreting a building code would require a contractor to analyze a complex situation, so it would entail a measure of conceptual skill. However, the difficulty of dealing with a building code is largely a technical matter of understanding and interpreting the terms and various highly specialized conventions of the code itself.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

91) Under which category would you classify skill in motivating subordinates?

- A) interpersonal skills
- B) conceptual skills
- C) technical skills
- D) political skills

Answer: A

Explanation: A) Conceptual and technical skills are too abstract and impersonal to qualify as a classification for motivational skill. Motivating people can feature a considerable amount of political skill. However, motivation is less about manipulating a power base within an organization than it is in simply relating well to other people, so interpersonal skills is the best choice for this question.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

92) Designing a series of interview questions to provide information about possible customers for a company would primarily require _____.

- A) technical skills
- B) interpersonal skills
- C) conceptual skills
- D) political skills

Answer: C

Explanation: C) Designing interview questions would certainly require some degree of both interpersonal and political skills. However, the main challenge of the problem is to think through the complex situation of who would make a likely customer for a product. Therefore, conceptual skills would be of the highest priority for this task. The task would require little, if any, technical skills as writing the questions could be easily accomplished with a simple word-processing program or pencil and paper.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

93) Technical skills might include _____.

- A) excellent verbal skills
- B) proficiency in computer programming
- C) exceptional writing ability
- D) decision-making ability

Answer: B

Explanation: B) Technical skills typically involve the mastery of some kind of specialized technology or technique that is helpful for a job. Verbal skills and writing ability are too general to qualify as "technical." Decision-making ability does not involve a special technology or technique. Computer programming, though more common today than it was in previous decades, best qualifies as a technical skill.

Diff: 2

AACSB: Use of information technology

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

94) Good political skills would be most important to a manager who _____.

- A) seeks job security
- B) seeks fair compensation for his or her level
- C) wants to rise through organizational ranks
- D) wants to lighten his or her workload

Answer: C

Explanation: C) Those who seek job security, fair pay, or a lighter workload do not need a network of allies within an organization to accomplish their goals. So they are much less in need of political skills than a manager who is ambitious and wants to rise through the company ranks. The ambitious manager needs supporters and can only acquire them by employing his or her political skills.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

95) Which set of skills would you expect the President of the United States to be least in need of?

- A) interpersonal
- B) political
- C) conceptual
- D) technical

Answer: D

Explanation: D) A president undoubtedly needs all four skills, but not in equal quantities. Political skills are obviously required for a politician to get elected and mobilize alliances once elected. Interpersonal skills would be critical to persuading people to support one's point of view. Conceptual skills would be required for analyzing difficult situations and navigating through dangerous political waters. If any skill would be less needed, it would be technical, as technical matters for a president would likely be covered by subordinates.

Diff: 2

AACSB: Reflective thinking

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

96) What was the primary cause of demise for such companies as Enron, Dave & Barry's, and Circuit City?

- A) poor management
- B) difficult economic conditions
- C) corruption
- D) governmental regulation

Answer: A

Explanation: A) Difficult economic conditions may have contributed to the failure of the companies listed, but many of their competitors faced the same challenge and did not go bankrupt. There is no evidence that corruption had undue influence on any of these failed enterprises. Regulation was also not a likely cause of their problems since again, competitors somehow managed to survive and even flourish under the same or similar circumstances. This leaves poor management as the primary cause of the failure of each company.

Diff: 2

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

97) Who stands to benefit least from studying management?

- A) a pro football coach
- B) a pro football fan
- C) a pro football owner
- D) a pro football player

Answer: B

Explanation: B) Probably all four individuals can benefit from the study of management. The coach, as a manager of players, can probably benefit the most from learning effective management techniques. The owner similarly functions as a top executive of an organization (the team) and can easily obtain benefit in better management. An individual player is not a manager per se, yet to gain insight into the behavior and priorities of both his coach and his fellow players, the player stands to gain from studying management. It is the fan, whose purpose is simply to enjoy the game, who has the least to gain from learning about management. Understanding how the game is organized and managed is not likely to increase a fan's pleasure in watching the game.

Diff: 3

AACSB: Reflective thinking

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

98) We all have a vested interest in understanding the way organizations are managed because _____.

- A) we all stand to gain financially from organizational profits
- B) we interact with organizations every day of our lives
- C) we all depend on organizations for employment
- D) organizations dictate every facet of our lives

Answer: B

Explanation: B) Many individuals do not gain financially from organizations for employment or income. For example, a computer repair person may work completely independently and gain little or nothing directly from organizations. Organizations have great influence over people's lives, but it is an overstatement to claim that they "dictate" all facets of our lives. Organizations may not determine everything in our lives, but understanding such important entities can be very helpful.

Diff: 2

AACSB: Reflective thinking

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

99) Companies that are well managed can prosper during difficult economic times by depending on _____.

- A) government bailouts
- B) filing for bankruptcy
- C) raising prices
- D) a loyal customer base

Answer: D

Explanation: D) Well-managed companies, barring catastrophic and undeserved misfortune, should never need to depend on government bailouts or bankruptcy to survive—let alone prosper. Raising prices is also not a wise strategy for braving hard economic times, as more expensive products could serve to decrease rather than increase revenue. The best strategy for surviving adversity is having a loyal customer base. Although revenues may decrease, having faithful customers can usually get a company through a downturn.

Diff: 2

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

100) Which of the following is the most difficult ethical challenge to managers in today's business climate?

- A) not being able to hire new employees
- B) having to fire employees who are not productive
- C) having to downsize and let go of employees who are hardworking and productive
- D) increasing the amount that employees pay for health care

Answer: C

Explanation: C) By far the most difficult challenge is laying off productive workers. Nevertheless, when industries contract some managers have no choice but to let workers go. This happened in Seattle when downsizing caused the city's newspaper to get rid of more than 80 percent of its employees.

Diff: 2

AACSB: Ethical understanding and reasoning abilities

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

101) Even people who have no plans to be managers can benefit from studying management because _____.

- A) they are likely to be managed in their work career
- B) everyone ends up managing
- C) they need to be able to outsmart their managers
- D) management helps people control their emotions

Answer: A

Explanation: A) Almost all people must interact with managers in their work careers, and most of them will be managed in some capacity. So being aware of management concepts is useful for the vast majority of people.

Diff: 2

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

102) Which of the following is the mark of a well-managed company?

- A) It can build a customer base quickly.
- B) It can find ways to prosper even in economically challenging times.
- C) It doesn't need to worry about customer loyalty.
- D) It can find ways to prosper during economic boom times.

Answer: B

Explanation: B) Many companies can make a profit in a good economic climate. The mark of a company that is truly well run is that it can find ways to stay profitable in bad times or under conditions of adversity. Companies such as Apple have needed to reinvent themselves numerous times in order to succeed.

Diff: 2

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

103) A common thread that runs through changes that all managers face in today's world is the need to rely on _____ to identify ways to increase productivity.

- A) all members of an organization
- B) experts who specialize in productivity
- C) top managers only
- D) consultants who specialize in efficiency

Answer: A

Explanation: A) Productivity experts and consultants can provide only so much insight into the workings of an organization from the outside. To get true productivity increases, managers are looking to those on the inside to provide improvements. In today's world, all members of the organization, not just the higher-ups, provide ideas for saving money and increasing efficiency.

Diff: 3

Objective: 1.5

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

104) Which of the following is a factor in today's tough economic climate that managers do NOT need to deal with?

- A) changing technology
- B) economic uncertainty
- C) employees who are not eager to work
- D) distrust between managers and employees

Answer: C

Explanation: C) Changing technologies can threaten entire industries, such as the newspaper business, making decisions excessively difficult for managers. Uncertainty and erosion of trust can also create a climate in which managers find it difficult to operate. Finding eager workers, on the other hand, is not a problem that managers generally face. In tough economic times there is generally a surfeit of able and ready employees, not a scarcity.

Diff: 2

Objective: 1.5

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

105) The decision of the *Seattle Post Intelligencer* newspaper to go "all-digital" resulted in _____.

- A) managers needing to hire new employees
- B) managers needing to drastically reduce their workforce
- C) no workforce changes, but changes in the price of the paper
- D) very few changes in the way the paper did business

Answer: B

Explanation: B) The digital version of the newspaper resulted in a workforce reduction of 165 employees to about 20 employees. Obviously, no new employees were needed, and there were large changes in the workforce and the way the paper did business.

Diff: 2

AACSB: Use of information technology

Objective: 1.5

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

106) How do customers play a role in changing the job of the modern manager?

- A) Managers are learning to think of customers as adversaries in a battle of survival.
- B) Managers are inviting customers to take control of the planning and design of new products.
- C) Managers are increasingly de-emphasizing customer satisfaction as a major goal.
- D) Managers are increasingly including customer satisfaction as a major goal.

Answer: D

Explanation: D) Managers are beginning to see the importance of customer satisfaction as a measure of organizational success. Rather than simply look at short-term profit, managers increasingly are focusing on the long-term goal of building a base of satisfied customers who will remain loyal. Accordingly, rather than de-emphasizing the customer, seeing the customer as an enemy, or "partnering," managers are increasingly viewing customers as a database that provides meaningful feedback on the true value of their product.

Diff: 2

AACSB: Communication abilities

Objective: 1.5

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

107) The CEO of Cisco Systems likes to _____.

- A) read emails from satisfied customers
- B) listen to voice mails from satisfied customers
- C) listen to voice mails from dissatisfied customers
- D) argue with dissatisfied customers and try to convince them that they are wrong

Answer: C

Explanation: C) The CEO of Cisco Systems likes to hear the emotion and frustration in a customer's voice when lodging a complaint. That is why he listens to voice mails to get insight into how the company is performing. Reading emails, he claims, does not provide the depth of feeling that voice mails provide. Arguing might be something that the CEO is tempted to do but hasn't reported doing so far.

Diff: 2

AACSB: Communication abilities

Objective: 1.5

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

108) What does a company's prompt, courteous, and helpful answering of a telephone with a human operator signal to the customer who is calling?

- A) The company has high prices.
- B) The company is wasting resources on telephone operators.
- C) The company is responsive to the customer's needs.
- D) The company has low prices.

Answer: C

Explanation: C) In today's competitive business environment, high-quality customer service sends a signal that the company is willing to do whatever is necessary to please the customer—including hiring costly human operators to field phone calls. The other possible signals—that the company has high prices, low prices, or is wasteful—are very unlikely. For most products, pricing would be minimally affected by the presence of human operators. Since customer service is now recognized as being highly important, it is unlikely that customers would view high-quality customer service as wasteful.

Diff: 2

AACSB: Communication abilities

Objective: 1.5

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

109) Why is innovation a key component of a manager's job in today's business environment?

- A) Innovation keeps employees on their toes.
- B) Innovation gives companies a "fresh" image without changing much real substance.
- C) New approaches are always superior to old approaches.
- D) Innovation gives an organization an edge over its competition.

Answer: D

Explanation: D) A manager should always be on the lookout for finding ways to improve his or her product and become more efficient. Innovation—finding new ways to do things—is a way to achieve these improvements. Many managers now feel that if they don't innovate they risk becoming uncompetitive. So they encourage innovation to maintain an edge over competitors. The "fresh" image of innovation is not a substantive enough benefit to merit adoption of a new practice. Though innovation may keep workers "on their toes," it is too disruptive to implement for that purpose only. Finally, since only a small fraction of new approaches can be said to be improvements over time-tested practices, most new approaches do not qualify as improvements over old approaches.

Diff: 2

Objective: 1.5

Learning Outcome: Describe the innovation process and identify strategies for stimulating creativity and innovation

110) Which of the following did a poll find to be the most important variable in employee productivity?

- A) pay level
- B) quality of the employee-supervisor relationship
- C) quality of the workplace environment
- D) the benefits that employees enjoyed

Answer: B

Explanation: B) The number one most important variable in maximizing productivity was found to be the relationship between employees and their supervising managers. This finding is a strong indication that good management really matters. Employees who respect and hold a high opinion of their supervisors work harder and more efficiently than those with less favorable relationships.

Diff: 2

Objective: 1.5

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

111) The grocery chain SuperValu has found that using _____ helps keep employees both connected and engaged.

- A) social media
- B) task management
- C) discipline
- D) friendliness

Answer: A

Explanation: A) SuperValu managers realized that keeping 135,000 plus employees connected and engaged was imperative to continued success. They decided to adopt an internal social media tool to foster cooperation and collaboration among its 10 distinct store brands operating in 44 states.

Diff: 2

Objective: 1.5

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

112) Which management challenge refers to management's responsibility to be attentive to environmental and societal challenges?

- A) social media
- B) politics
- C) managerial ethics
- D) sustainability

Answer: D

Explanation: D) From a business perspective, sustainability has been defined as a company's ability to achieve its business goals and increase long-term shareholder value by integrating economic, environmental, and social opportunities into its business strategies.

Diff: 2

Objective: 1.5

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

113) Described as the new frontier, this new challenge for managers has the potential to both boast and drain employee productivity.

- A) organizational politics
- B) social media
- C) environmental activism
- D) intrapreneurship

Answer: B

Explanation: B) More and more businesses are turning to social media not just as a way to connect with customers but also as a way to manage their human resources and tap into their innovation and talent. That's the potential power of social media, but the potential peril is in how it's used.

Diff: 2

Objective: 1.5

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

The Perfect Manager (Scenario)

Brenda Kraft has proven herself to be an able manager. Her section has a high project completion rate with the highest-quality product and the lowest defects in her division. In addition, she accomplishes this with fewer full-time people than other managers. Co-workers say that the secret of her success is in her ability to delegate responsibility and her understanding of the basic "management processes."

114) Brenda's high project completion rate indicates that she is _____.

- A) an efficient manager
- B) an effective manager
- C) a good spokesperson
- D) a good resource allocator

Answer: B

Explanation: B) Completing a high number of projects is accomplishing a goal. Goal-accomplishment is a measure of the effectiveness of a manager. "An efficient manager" is incorrect because completing projects says nothing about how efficient Brenda is. In a similar way, "a good spokesperson" and "a good resource allocator" are not correct as there is no indication in the paragraph of Brenda's skill as an information provider (spokesperson) or decision-maker (resource allocator).

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

115) If Brenda accomplished her projects on time with high-quality results, but she took more time than other managers in the process, you could say that as a manager she was _____.

- A) efficient, but not effective
- B) a leader, but not a top manager
- C) project oriented, but not effective
- D) effective, but not efficient

Answer: D

Explanation: D) Accomplishing goals makes Brenda effective. Taking too much time makes Brenda inefficient. These two qualities—high quality results coupled with longer than normal delivery times—say nothing about Brenda's ability to be a leader.

Diff: 2

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

116) Brenda's ability to delegate responsibility well is evidence that she excels at which management function?

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

Answer: D

Explanation: D) Delegating responsibility falls under the category of organizing. Good organizers excel at determining the right job for the right person. Planning may include a minor element of delegating, as a planner must map out future tasks. Leading includes an element of directing, which also involves delegating. However, neither planning nor leading is as directly involved in delegating as organizing is. Finally, controlling, largely a monitoring activity, has little to do with delegating.

Diff: 2

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

Joe, the Manager (Scenario)

As a production supervisor, Joe determines the number of output units his department will produce each week. On Monday, he informs his team that the schedule is going to be difficult this week due to the increased number of output units. He goes on to tell them that he is confident that they can fulfill the schedule because they are tough, talented, and "when the going gets tough, they are the ones who get going." Each day during the week, Joe checks the amount of output that the employees have completed and the number of units that have been rejected.

117) When Joe decides the number of output units his team will be able to produce this week, which management process is he performing?

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

Answer: C

Explanation: C) Planning involves foreseeing the future and making accommodations to deal with what is likely to occur. Joe is performing both of these functions, so he is planning. None of the other choices involve specifically preparing for future occurrences, so planning is the only category that fits here.

Diff: 2

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

118) When Joe checks the amount of output units that the team has completed and the number of units that have been rejected, he is performing which management process?

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

Answer: A

Explanation: A) Controlling involves monitoring ongoing tasks and evaluating them to see if they are proceeding as planned. Since Joe is both monitoring and evaluating, the function he is performing is controlling. Leading, planning, and organizing do not have an explicit monitoring component, so controlling is the only function that fits here.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

119) When Joe tells the employees that he is sure they can fulfill the schedule because they are the ones "who get going when the going is tough," he is performing which management process?

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

Answer: B

Explanation: B) Leading involves motivating employees and getting them to the point where they take "ownership" of their task and are internally driven to do a good job. Since Joe is appealing to these impulses, he is demonstrating leadership. Leading is the only function that specifically involves motivating workers, so it is the only choice that fits for this question.

Motivation is not a critical component of controlling, planning, or organizing.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

The Busy Day (Scenario)

Don Sakaguchi, manager at Control Systems, Inc., sighs as he sips his coffee at 5 A.M. and reads his agenda for the day. Don's first duty is to preside over a retirement party for a beloved employee and say a few words on her behalf. Next, he will give a tour to a news reporter who is writing a story on the new plant expansion. Don then has a meeting with the unit manager, Phil Johnson, to discuss Phil's recent performance drop (a task Don always hates). Finally, in the late afternoon, Don will be reviewing the recent equipment malfunction and deciding whether to deploy extra people to get the equipment running as soon as possible. What a day!

120) What role will Don be performing when he gives the plant tour to the newspaper reporter?

- A) monitor
- B) entrepreneur
- C) spokesperson
- D) resource allocator

Answer: C

Explanation: C) Giving a tour to a newspaper reporter is an informational role. Don will be showcasing the features of the new plant expansion. This role of speaking for the company fits that of a spokesperson. Giving a tour is not a way of procuring new business opportunities, so it is not an entrepreneurial role. Don is not checking on ongoing tasks, so he is not functioning as a monitor. Finally, Don is speaking rather than making decisions, so he is not functioning in the role of resource allocator.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

121) When Don attends the retirement party, he will be operating in which of the management roles?

- A) leader
- B) liaison
- C) monitor
- D) figurehead

Answer: D

Explanation: D) Don's appearance at the party is largely a ceremonial role—he is representing the organization during an important event—so he is performing the role of a figurehead. Don is not specifically providing motivation for employees, so he is not functioning as a leader. He is not linking to the outside world, so his role does not fit that of a liaison. Finally, he is not evaluating or keeping track of tasks, so he is not functioning in the role of a monitor.

Diff: 3

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

122) When Don meets with Phil to discuss Phil's output decline, in which management role will Don be operating?

- A) leader
- B) figurehead
- C) disseminator
- D) spokesperson

Answer: A

Explanation: A) A person who resolves conflicts and "fixes" tricky situations that involve people is being a leader. Don's ability to point out Phil's failings while at the same time exhorting Phil to do better in the future is evidence of Don's leadership talent. Since both disseminator and spokesperson focus on informational rather than motivational issues, neither matches Don's role in this task. Being a figurehead is an interpersonal role, but it does not involve ironing out interpersonal problems, so it is not the correct choice here.

Diff: 3

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

123) What kind of a manager is Don likely to be?

- A) first-line manager
- B) CEO of a major corporation
- C) low-level middle manager
- D) plant manager

Answer: D

Explanation: D) Don's appearance at the party and role as host to the reporter suggest that he is clearly above the level of first-line manager and low-level middle manager. Don is too involved with everyday activities (Phil's problem and equipment malfunction) to be a top CEO. All of this evidence suggests that Don is a fairly high-level middle manager—a plant manager.

Diff: 3

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

124) When Don reviews the equipment malfunction, what management role will he play in deciding whether to bring in extra people?

- A) monitor
- B) disseminator
- C) resource allocator
- D) disturbance handler

Answer: C

Explanation: C) The decision of whether or not to bring in more workers is a matter of resource allocation—the resources being workers and the allocation referring to how Don chooses to distribute the people he has on various tasks. The malfunction itself could be classified as a disturbance and Don's assessment of it a form of monitoring. However, the key here is Don's decision to deploy extra people, and that again is a matter of resource allocation.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

The General Manager (Scenario)

Michelle is the general manager of a power plant. This morning, she will meet with city officials to discuss environmental issues. After the meeting, she will confer with the plant's section managers to address the concerns of the city representatives. This afternoon, Michelle will meet with a team leader to go over a complaint filed by an employee. After the complaint meeting, Michelle plans to spend time in the library and on the Internet researching new technologies that can be used to improve the performance of her plant.

125) When Michelle learns from city officials about how her plant's operations may be affecting the environment, she is performing which management role?

- A) leader
- B) resource allocator
- C) entrepreneur
- D) liaison

Answer: D

Explanation: D) In meeting with officials outside of the organization, Michelle is providing a link to the outside world, or functioning as a liaison. Of the other choices given, leader and resource allocator do not involve communication with the outside world. An entrepreneur may connect with the outside world, but Michelle is not functioning as an entrepreneur because she is not looking for business opportunities. So liaison is the only choice that makes sense here.

Diff: 3

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

126) When Michelle addresses a complaint filed by an employee, she is performing which management role?

- A) resource allocator
- B) disturbance handler
- C) liaison
- D) figurehead

Answer: B

Explanation: B) A complaint is clearly a type of disturbance, so in addressing an employee's complaint, Michelle is functioning as a disturbance handler. None of the other roles—resource allocator, liaison, or figurehead—involve addressing problems directly or "fixing" situations, so the correct choice here is disturbance handler.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

127) When Michelle meets with the section managers to brief them on the concerns of the city officials, which management role is she performing?

- A) disseminator
- B) liaison
- C) disturbance handler
- D) negotiator

Answer: A

Explanation: A) Michelle's meeting with the section managers is one in which she is dispensing information or functioning as a disseminator. Michelle is connecting with others here, but she is not a liaison because she is connecting within the organization, not outside of it. Michelle is neither addressing a problem nor mediating between parties so she is not functioning in the role of disturbance handler or negotiator.

Diff: 2

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

128) When Michelle spends time searching for new technologies for her plant, she is performing which management role?

- A) leader
- B) entrepreneur
- C) spokesperson
- D) disturbance handler

Answer: B

Explanation: B) In seeking out and working to develop new business opportunities, Michelle is clearly functioning as an entrepreneur. An entrepreneur within an organization develops new products that can be used to improve the organization. In this case, Michelle is seeking to develop a new process that will provide a better and more efficient product. The other three choices—leader, spokesperson, and disturbance handler—are all social functions. Being an entrepreneur can have a social aspect, but a large part of entrepreneurship can be accomplished outside of a social context. For example, a chemist can develop a new formula without the aid of others. In this case, Michelle is developing a new product on her own.

Diff: 3

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

129) Which type of management skill does Michelle use most during the day?

- A) conceptual
- B) informational
- C) interpersonal
- D) political

Answer: C

Explanation: C) Three of Michelle's activities for the day require interpersonal skills—meeting with the city officials, meeting with the section managers, and handling the employee's complaint. Michelle's research is the only activity she carries out that does not require some measure of interpersonal skill. None of the other skills—conceptual, informational, or political—is used as frequently.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

130) Michelle's evaluation of new technologies that can be used in the production processes of her plant is an example of which type of management skill?

- A) conceptual
- B) communication
- C) political
- D) interpersonal

Answer: A

Explanation: A) In evaluating new technologies, Michelle must break down and sort out a great deal of complex information and come to some conclusion about how some of it might be applied to her own situation. This is clearly an example of conceptual skill—analyzing a complex situation. The task does not require Michelle to communicate her conclusions at this point or use them in a social or political context. So the clear choice here is that Michelle is using conceptual skill.

Diff: 2

AACSB: Use of information technology

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

Application of Skills (Scenario)

Harris, a budding stand-up comedian, spent months hanging out at Laugh Town, a local club, meeting other stand-ups, doing a lot of listening and finding out how they learned their trade. It got to the point where several of the star acts were trying out their new material on Harris. If Harris laughed, the material must be good, they said. Finally Harris got to the point where he wanted to try out his own act. Bobby G, a successful comic, agreed to listen to Harris. Bobby laughed a few times, but as he performed his material Harris couldn't help but wonder about the odd, pained expression on Bobby's face. When it was over, Bobby told him, "Very funny, Harris. Keep working on it." It was at that point that Harris decided he would become an agent for other comedians. Somehow, he knew that that was what he was truly suited for.

131) Spending time with comedians learning about their trade is an example of which political skill?

- A) establishing a power base
- B) networking and finding connections
- C) using information strategically
- D) competing for resources

Answer: B

Explanation: B) Getting to know people who are in a position to advance your career is an example of networking and finding the right connections. Even though Harris didn't get very far in his career as a comedian, his career as a networker was quite successful.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

132) Recognizing that the pained expression on Bobby G's face had more meaning than Bobby's encouraging words is an example of Harris using which skill?

- A) conceptual skill
- B) political skill
- C) interpersonal skill
- D) technical skill

Answer: C

Explanation: C) The clues Bobby gave that revealed his true feelings were subtle and difficult to detect. Yet, Harris used his interpersonal skill to infer Bobby's true feelings about his act. Harris noticed Bobby's pained expression and realized that it, more than Bobby's words, was telling him that his act was probably not very funny.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

133) The fact that Harris was able to switch from being an unsuccessful comedian to being a successful agent primarily shows that Harris has which competency?

- A) occupational acumen
- B) emotional control
- C) task orientation
- D) open-mindedness

Answer: D

Explanation: D) Open-mindedness involves elements that include adaptability and creative thinking. Harris displayed both of these qualities when he recognized that he was cut out to be a better agent than he was a comedian.

Diff: 3

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

134) In a short essay, compare the tasks, priorities, and responsibilities of first-line, middle, and top managers.

Answer: First-line managers are the lowest level of management and manage the work of nonmanagerial individuals who are directly involved with the production or creation of the organization's products. First-line managers are often called supervisors but may also be called line managers, office managers, or even foremen. First-line managers spend more time leading than other managers and less time planning.

Middle managers include all levels of management between the first-line level and the top level of the organization. These managers manage the work of first-line managers and may have titles such as department head, project leader, plant manager, or division manager. Middle managers spend considerably less time leading than first-line managers and considerably more time organizing.

Top managers are responsible for making organization-wide decisions and establishing the plans and goals that affect the entire organization. These individuals typically have titles such as executive vice president, president, managing director, chief operating officer, chief executive officer, or chairman of the board. Top managers spend more time planning and organizing than other managers and less time leading.

Diff: 2

AACSB: Analytic thinking

Objective: 1.1

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

135) In a short essay, discuss the difference between efficiency and effectiveness.

Answer: Efficiency refers to getting the most output from the least amount of input. Efficiency is often referred to as "doing things—that is, performing a task with a minimum of wasted time, energy, labor, and resources and a maximum of the product being created. A mathematical measure of efficiency is given by the ratio of input to output. The smaller the input-to-output ratio, the greater the efficiency of the process.

Effectiveness is often described as "doing the right things"—that is, those work activities that will help the organization reach its goals. Where efficiency is concerned with the means of getting things done, effectiveness is concerned with the ends, or attainment of organizational goals.

Diff: 2

AACSB: Analytic thinking

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

136) In a short essay, list and explain the four basic functions of management.

Answer: Planning involves the process of defining goals, establishing strategies for achieving those goals, and developing plans to integrate and coordinate activities so the organization can achieve its goals. Planning can be short term in scope—planning tomorrow's schedule—or long term—creating a five-year expansion plan.

Organizing involves the process of determining what tasks need to be done, who should do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

Leading is primarily concerned with motivating subordinates and getting them to work in the most effective and efficient ways possible. Leading also involves directing and instructing subordinates, as well as resolving any conflicts that arise between them. A leader is a role model who must always keep in mind that his or her example is being observed by subordinates. Typically, a leader who is fair, consistent, sets high standards, and lives up to those standards has the best results.

Controlling is largely a function of monitoring subordinates to ensure that work is proceeding as it should and goals will be met. Evaluation is a key part of controlling. Managers must correct inefficiencies and flaws in the process that is being carried out. Controlling also involves rewarding productive individuals and disciplining unproductive individuals to give incentive for them to meet organizational goals.

Diff: 2

AACSB: Analytic thinking

Objective: 1.3

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

137) In a short essay, explain through examples how a process can be (a) efficient but not effective and (b) effective but not efficient.

Answer:

(a) Efficient but not effective: A craftsman building a wooden table may be highly efficient in the way he uses his time, energy, and wood in producing his product. However, despite this efficiency, the craftsman may still end up with a rickety table, thereby not fulfilling his goal of building a strong, sturdy table and failing to be effective.

(b) Effective but not efficient: A craftsman may be inefficient and waste a great deal of time, energy, and wood in building a table. However, the table itself can turn out to be strong, sturdy, and beautiful, thereby fulfilling the goal of the process and qualifying the craftsman as effective.

Diff: 2

AACSB: Analytic thinking

Objective: 1.2

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

138) In a short essay, list and discuss the interpersonal managerial roles developed by Mintzberg. Include specific examples of each role.

Answer: Interpersonal Roles

The interpersonal roles are roles that involve people and other duties that are ceremonial and symbolic in nature. The three interpersonal roles include being a figurehead, leader, and liaison.

A figurehead is a symbolic head of an organization. A figurehead represents the organization to the community at large. The figurehead may be required to give speeches, perform ceremonial duties, sign contracts, and make statements to the media. Typically, a figurehead's official statements would be of a general nature, while more substantive and technical statements would be provided by a spokesperson.

A leader is responsible for the motivation and activation of subordinates. A leader also has staffing and training duties. A leader needs to be able to inspire and excite, but he or she must also be able to deal out consequences when goals are not met. A significant amount of a leader's time might be taken up resolving disputes and solving problems that arise between team members. For these tasks, leaders strive to be seen as fair, open-minded, and tough.

A liaison provides a link from the organization to the outside world. A liaison may link to individuals, members of the media, or other organizations. A liaison represents the organization in these capacities and so must be prudent in what he or she says and doesn't say. When a meeting between an outside entity and the organization needs to take place, the liaison typically organizes the meeting, provides introductions, and generally smooths the way for both parties to feel comfortable.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

139) In a short essay, list and discuss the informational managerial roles developed by Mintzberg. Include specific examples of each role.

Answer:

Informational Roles

The informational roles involve receiving, collecting, and disseminating information. The three informational roles include a monitor, disseminator, and spokesperson.

A monitor within Mintzberg's scheme seeks and receives a wide variety of internal and external information to develop a thorough understanding of an organization and the cultural and business environment in which it functions. Examples include reading periodicals and reports, maintaining personal contacts, attending meetings and conferences, taking classes, going on fact-finding missions, and participating in task forces. Note that a monitor in Fayol's system performs a very different function—that of keeping track of progress as a task moves toward completion.

A disseminator transmits information to members of the organization. Examples include holding informational meetings, writing memos and position papers, and making posters and presentations. The disseminator functions as an opposite counterpart to the monitor. The monitor takes in information; the disseminator distributes it. That being said, it is not surprising that frequently the monitor and disseminator are the same person: after studying a situation, the monitor dons his or her disseminator hat and disseminates the information that has been accumulated.

A spokesperson transmits information to outsiders on the organization's plans, policies, actions, results, and so on. Examples include holding board meetings and giving information to the media. Note that a spokesperson role may overlap with other Mintzberg categories such as figurehead, leader, liaison, and negotiator. All of these categories may "speak for the organization" from time to time. What distinguishes the spokesperson is that his or her presentation is strictly informational in content.

Diff: 2

AACSB: Communication abilities

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

140) In a short essay, list and discuss the decisional managerial roles developed by Mintzberg. Include specific examples of each role.

Answer:

Decisional Roles

The decisional roles revolve around making choices. The four decisional roles include entrepreneur, disturbance handler, resource allocator, and negotiator.

An entrepreneur searches the organization and its environment for opportunities and initiates "improvement projects" to bring about changes. The entrepreneur's primary task is to develop new products and opportunities for the organization. Within a growing organization, an entrepreneur may be highly ambitious and innovative. For example, a fashion company manager may depart from the company's original mission and develop a line of furniture under the company umbrella. With older, more established organizations, the entrepreneur would be more likely to develop new methods of production rather than new products themselves. For example, a health maintenance organization manager may develop a new system in which to keep medical records.

A disturbance handler is responsible for solving problems and "fixing" difficult situations when they arise. Examples could include anything from two employees who don't get along to a major complaint of job discrimination from an employee who threatens a lawsuit. In either case, the manager must mediate between the parties and try to resolve the situation in a manner that is fair and minimally harmful to the organization.

A resource allocator must figure out how to distribute and divide all organization resources. Resources may include assets of all types—people, funds, buildings, land, equipment, time, energy, and so on. Allocation of resources often boils down to making decisions about priorities. For example, where should a baseball executive invest his money—on two relief pitchers or one shortstop? Deciding how to divide up budgets of all types is the resource allocator's job.

A negotiator is also a kind of resource allocator. Negotiators are responsible for making deals—between a organization and its union, a company and its suppliers, a school district and its teachers, a building contractor and her client. In each case, decisions must be made about where to draw the line—how much money, or other resources, can one side afford to give up versus the amount the other side requires.

Diff: 2

AACSB: Analytic thinking

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

141) In a short essay, describe the four main types of managerial skills identified by Robert Katz.
Answer: Research by Robert L. Katz concluded that managers needed four essential skills. These are technical skills, interpersonal skills, political skills, and conceptual skills. Technical skills are the job-specific knowledge and techniques needed to perform specific tasks proficiently. Interpersonal skills involve understanding, mentoring, and motivating individuals and groups of people. Political skills include the ability to build a power base and establish beneficial connections. Conceptual skills are the skills managers use to think and to conceptualize about abstract and complex situations.

Diff: 3

AACSB: Analytic thinking

Objective: 1.3

Learning Outcome: Summarize the major historical and current approaches to management

142) In a short essay, briefly discuss the importance of studying management.

Answer: For a future manager, studying management is a "no-brainer." In general, the more you know about successful management practices the more likely you are to become a successful manager. Even if you are not going to become a manager, there are plenty of reasons to study management. If you become a nonmanagerial employee, for example, studying management can help you understand the managers you have to deal with.

If you end up working in a system that does not involve management—for example, as an artist or an actor—you are still highly likely to end up dealing with management in important ways. An artist, for example, may work on her own for the most part, but she still must be able to negotiate the tricky waters of dealing with galleries, dealers, museums, and so on, all of which involve managers and management.

Even if you can avoid managers of all types, you will undoubtedly earn and invest money in your life, and understanding management will help you invest that money wisely. As recent economic troubles have proved, good management is more important than ever. Those who try to invest well without knowing about good management practices invest at their peril.

A final reason for studying management is the reality that most students, once they graduate from college and begin their careers, will either manage or be managed.

Diff: 3

AACSB: Reflective thinking

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

143) In a short essay, explain why customer satisfaction is becoming increasingly important in today's business world.

Answer: Companies are finding that their success often depends on customer loyalty, and that loyalty in turn depends on the relationship the customer has with the company. A good example of this is Starbucks. A few years ago, as business for Starbucks began to wane, the company did some major rethinking of its products and services. One key thing that Starbucks did was listen to customers who didn't like to pay for wi-fi service when they went to a coffee shop. So Starbucks changed its long-term policy and provided free wi-fi for customers, a practice that increased business and showed customers that Starbucks really listened to them and was willing to change if an issue was important.

Diff: 3

AACSB: Reflective thinking

Objective: 1.4

Learning Outcome: Describe the roles of managers and the skills they need to succeed within an organization

144) In a short essay, explain why innovation is becoming increasingly important in today's business world.

Answer: Companies are finding that if they don't keep innovating they fall behind competitors. A good example of this situation involves Apple. Even after being perhaps the most innovative company of the last 50 years, inventing such things as iTunes, iPods, iPads, and iPhones, Apple finds that if it doesn't keep improving its innovations, it gets overtaken by competition. An example is the iPhone. Instead of standing still and allowing Droid phones to take over, Apple has recently acquired some amazing innovations that will keep it ahead of its competitors—at least for a while.

Diff: 3

AACSB: Reflective thinking

Objective: 1.4

Learning Outcome: Describe the innovation process and identify strategies for stimulating creativity and innovation