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 Chapter 1: Introducing Management

True/False

1. Intellectual capital is a personal asset for individuals.

Answer: True

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

2. Commitment represents one's talents or job-relevant capabilities.

Answer: False

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

3. A knowledge worker is a person whose physical capabilities are the most critical assets.

Answer: False

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

4. Tech IQ is the ability to use technology and commitment to stay informed about the latest technological developments.

Answer: True

Learning Objective: 1.1

Difficulty: Easy

AACSB: Information technology

Bloom's Taxonomy: Knowledge

5. National boundaries hardly count anymore in the world of business.

Answer: True

Learning Objective: 1.1

Difficulty: Easy

AACSB: Diverse and multicultural work environments

Bloom's Taxonomy: Knowledge

6. Minorities constitute less than one-third of the U.S. population.

Answer: False

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

7. The first leaf in the shamrock organization consists of a core group of "freelancers" and "independent contractors."

Answer: False

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

8. In a free-agent economy, people do not change jobs very often.

Answer: False

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

9. All organizations are open systems that interact with their environments.

Answer: True

Learning Objective: 1.2

Difficulty: Easy

AACSB: Written and oral communication

Bloom's Taxonomy: Knowledge

10. Performance effectiveness is defined as the quantity and quality of outputs relative to the cost of inputs.

Answer: False

Learning Objective: 1.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

11. Any inefficiency in an organization reduces the cost of production.

Answer: False

Learning Objective: 1.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

12. Performance efficiency is an output measure of resource cost associated with goal accomplishment.

Answer: False

Learning Objective: 1.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

13. In the context of present day organizational trends, organizations and their members are networked for intense, real-time communication and coordination.

Answer: True

Learning Objective: 1.2

Difficulty: Moderate

AACSB: Written and oral communication

Bloom's Taxonomy: Knowledge

14. A manager is a person who supports, activates, and is responsible for the work of others.

Answer: True

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

15. Middle managers are in charge of overseeing the overall operations of an organization.

Answer: False
Learning Objective: 1.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

16. The top managers of an organization constitute an executive team that is not accountable to any higher authority in the organization.

Answer: False
Learning Objective: 1.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

17. Top managers are supposed to set strategy and lead an organization consistent with its purpose and mission.

Answer: True
Learning Objective: 1.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

18. Typical job titles for middle managers include department head, team leader, and supervisor.

Answer: False
Learning Objective: 1.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

19. Line managers are responsible for work that makes a direct contribution to an organization's outputs.

Answer: True

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

20. Functional managers are primarily involved in using their special technical expertise to advise and support line workers.

Answer: False

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

21. Effective managers successfully help others achieve both high performance and satisfaction in their work.

Answer: True

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

22. The upside-down pyramid view of organizations shows customers at the top being served by workers who are supported by managers.

Answer: True

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

23. The top managers are primarily responsible for all the four management functions, and the other managers are in charge of any one of the functions.

Answer: False

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

24. Through controlling, a manager identifies desired results and ways to achieve them.

Answer: False
Learning Objective: 1.4
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

25. In the management process, if the planning is impeccable, then there is no need for controlling.

Answer: False
Learning Objective: 1.4
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

26. According to Mintzberg, a manager's informational roles are limited to being a figurehead.

Answer: False
Learning Objective: 1.4
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

27. According to Mintzberg, as a monitor, a manager provides direction and instills enthusiasm.

Answer: False
Learning Objective: 1.4
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

28. Through agenda setting, good managers develop action priorities that include goals and plans spanning long and short time frames.

Answer: True
Learning Objective: 1.4
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

29. The learning focus in management is on developing skills and competencies to deal with the complexities of human behavior and problem solving in organizations.

Answer: True
Learning Objective: 1.5
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

30. Long-term career success depends mainly on lifelong learning.

Answer: True
Learning Objective: 1.5
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

31. A person high in emotional intelligence does not usually sense when another person's emotions are negatively influencing a relationship.

Answer: False
Learning Objective: 1.5
Difficulty: Moderate
AACSB: Written and oral communication
Bloom's Taxonomy: Comprehension

Multiple Choice

32. _____ is the collective brainpower or shared knowledge of a workforce that can be used to create value.
- A. Social capital
 - B. Intellectual capital
 - C. Workforce diversity

- D. Productivity
- E. Competency

Answer: B

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

33. The intellectual capital equation states: Intellectual Capital =
- A. Competency $\times$ Commitment
 - B. Competency $\div$ Commitment
 - C. Knowledge $\times$ Concept
 - D. Knowledge $\div$ Concept
 - E. Intellect $\times$ Talent

Answer: A

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

34. _____ represents one's willingness to work hard in applying one's capabilities to important tasks.
- A. Intellect
 - B. Productivity
 - C. Commitment
 - D. Effectiveness
 - E. Competency

Answer: C

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

35. Which of the following is a defining characteristic of knowledge workers?
- A. They work only in the information technology industry.
 - B. They have a high degree of cohesiveness and are prone to groupthink.
 - C. They are valued for their creative minds, not just their physical capabilities.
 - D. They are grouped together for a specific purpose and are disbanded when their task is completed.
 - E. They are part of an unofficial group emerging from relationships and shared interests among members.

Answer: C
 Learning Objective: 1.1
 Difficulty: Moderate
 AACSB: Analytical thinking
 Bloom's Taxonomy: Comprehension

36. The members of a _____ team are most likely to hold meetings, access common databases, share information and files, make plans, and solve problems together, all without ever meeting face to face.
- A. virtual
 - B. specialized
 - C. cross-functional
 - D. self-managed
 - E. formal

Answer: A
 Learning Objective: 1.1
 Difficulty: Easy
 AACSB: Information technology
 Bloom's Taxonomy: Knowledge

37. _____ is the worldwide interdependence of resource flows, product markets, and business competition.
- A. Collectivism
 - B. Globalization
 - C. Nationalization
 - D. Diversification
 - E. Orientalism

Answer: B
 Learning Objective: 1.1
 Difficulty: Easy
 AACSB: Diverse and multicultural work environments
 Bloom's Taxonomy: Knowledge

38. In today's world, Americans find that their customer service call is Answered in Ghana, their CAT scan read by a radiologist in India, and their tax return prepared by an accountant in the Philippines. This has become possible primarily due to _____.
- A. collectivism
 - B. the glass ceiling effect
 - C. regional trade agreements
 - D. globalization
 - E. distributed leadership

Answer: D
 Learning Objective: 1.1
 Difficulty: Moderate
 AACSB: Analytical thinking
 Bloom's Taxonomy: Comprehension

39. Which of the following is a controversial outcome closely associated with globalization?
- A. Groupthink
 - B. Functional chimneys problem
 - C. Job migration
 - D. National barriers
 - E. Debt financing

Answer: C
 Learning Objective: 1.1
 Difficulty: Easy
 AACSB: Diverse and multicultural work environments
 Bloom's Taxonomy: Knowledge

40. Job migration occurs primarily:
- A. when firms shift jobs from one country to another.
 - B. due to an ecological fallacy.
 - C. when workforce diversity increases.
 - D. when workers refrain from moving from their home country to another country.
 - E. due to an increase in the productivity of the workforce.

Answer: A
 Learning Objective: 1.1
 Difficulty: Moderate
 AACSB: Diverse and multicultural work environments
 Bloom's Taxonomy: Knowledge

41. What is an advantage of reshoring?
- A. It helps safeguard the intellectual property of a firm.
 - B. It shifts jobs from home countries to the overseas outlets of a firm.
 - C. It increases the cost of transportation.
 - D. It increases globalization.
 - E. It increases job migration.

Answer: A
 Learning Objective: 1.1
 Difficulty: Moderate

AACSB: Diverse and multicultural work environments
Bloom's Taxonomy: Comprehension

42. Which of the following is defined as a code of moral principles that sets standards for what is “good” and “right” as opposed to “bad” and “wrong” in the conduct of a person or group?
- A. Synergy
 - B. Ethics
 - C. Behavior
 - D. Cohesiveness
 - E. Individualism

Answer: B
Learning Objective: 1.1
Difficulty: Easy
AACSB: Ethical understanding and reasoning
Bloom's Taxonomy: Knowledge

43. _____ describes the differences among workers in terms of gender, race, age, ethnicity, religion, sexual orientation, and able-bodiedness.
- A. Ethics
 - B. Workforce diversity
 - C. Masculinity-femininity
 - D. Creative economy
 - E. Competency

Answer: B
Learning Objective: 1.1
Difficulty: Easy
AACSB: Diverse and multicultural work environments
Bloom's Taxonomy: Knowledge

44. Jonas, an employee of Pluto Inc., thinks that business leaders should “be white.” Due to this, he holds a grudge against his manager, Asera, who is an Asian. Jonas often displays defiant behavior at the workplace. His behavior is an example of _____.
- A. prejudice
 - B. whistleblowing
 - C. subordination
 - D. harassment
 - E. bullying

Answer: A
Learning Objective: 1.1
Difficulty: Hard

AACSB: Application of knowledge
Bloom's Taxonomy: Application

45. _____ is the display of negative, irrational attitudes toward members of diverse populations.
- A. Job dissatisfaction
 - B. Subordination
 - C. Intimidation
 - D. Whistleblowing
 - E. Prejudice

Answer: E
Learning Objective: 1.1
Difficulty: Easy
AACSB: Diverse and multicultural work environments
Bloom's Taxonomy: Knowledge

46. _____ actively denies minority members the full benefits of organizational membership.
- A. Discrimination
 - B. Subordination
 - C. Migration
 - D. Free-riding
 - E. Social loafing

Answer: A
Learning Objective: 1.1
Difficulty: Easy
AACSB: Diverse and multicultural work environments
Bloom's Taxonomy: Knowledge

47. The _____ effect is an invisible barrier limiting career advancement of women and minorities.
- A. ecological fallacy
 - B. masculinity-femininity
 - C. job migration
 - D. nationalization
 - E. glass ceiling

Answer: E
Learning Objective: 1.1
Difficulty: Easy
AACSB: Diverse and multicultural work environments
Bloom's Taxonomy: Knowledge

48. Nicola is the most qualified candidate for the job of marketing manager at Lean Inc. However, the recruiters do not hire her because they feel that a woman would not be able to handle the responsibilities associated with such a senior position. This is an example of the _____ effect.
- A. ecological fallacy
 - B. globalization
 - C. job migration
 - D. glass ceiling
 - E. nationalization

Answer: D

Learning Objective: 1.1

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

49. The typical characteristic of a(n) _____ is that they typically operate with a core group of full-time long-term workers supported by others who work on contracts and part-time.
- A. shamrock organization
 - B. ad hoc team
 - C. combined task force
 - D. project team
 - E. joint task force

Answer: A

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

50. Which of the following is the defining characteristic of a free-agent economy?
- A. People change jobs more often, and many work on independent contracts with a shifting mix of employers.
 - B. The structure is totally centralized, and the leader makes all key decisions while most communication is done by one on one conversations.
 - C. It consists of boundary-less organizations whose employees communicate only through the virtual media.
 - D. In this system, organizations are exempted from tax, given that they use surplus revenues to achieve their goals rather than distribute them as profit.
 - E. The structure is fully functional, and it consists of long-term employees who are mostly concerned with their respective areas of interest.

Answer: A
Learning Objective: 1.1
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

51. Which of the following statements holds true for the term self-management?
- A. It is a skill that involves being able to recognize one's own strengths.
 - B. This skill involves ignoring one's own shortcomings.
 - C. It is a skill that involves taking help from others for assessing oneself realistically.
 - D. It involves hiring managers to help improve one's personal development.
 - E. This skill does not require one to be responsible for his or her actions.

Answer: A
Learning Objective: 1.1
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

52. Which of the following is a typical characteristic of an open system?
- A. It is an organization that is convened for a specific purpose and disbands when its task is completed.
 - B. It is a system where each member has the authority to make decisions about how they share and complete their work.
 - C. It is the system where communication flows only between individual members and a hub.
 - D. It is the system in which subgroups have limited communication with one another.
 - E. It is a system that transforms resource inputs from the environment into product outputs.

Answer: E
Learning Objective: 1.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

53. _____ helps in maintaining connectivity with people that in turn helps with job searches and career advancement.
- A. Commitment
 - B. Self-management
 - C. Social networking
 - D. Performance efficiency
 - E. Job migration

Answer: C
Learning Objective: 1.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

54. _____ accurately measures the quantity and quality of outputs relative to the cost of inputs.
- A. Commitment
 - B. Productivity
 - C. Competency
 - D. Performance efficiency
 - E. Tech IQ

Answer: B
Learning Objective: 1.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

55. The annual productivity report of Papyrus Inc. states that it has achieved the targets it had set for the year 2013. However, in this process, much of its resources have been wasted, and the amount spent on resources is more than the estimated amount. Its productivity has been:
- A. effective and efficient.
 - B. neither effective nor efficient.
 - C. not effective but efficient.
 - D. effective but not efficient.
 - E. stagnant in terms of efficiency and effectiveness.

Answer: D
Learning Objective: 1.2
Difficulty: Hard
AACSB: Application of knowledge
Bloom's Taxonomy: Application

56. The productivity of a company is neither efficient nor effective when its:
- A. goals are not achieved and resources are wasted.
 - B. goals are achieved and resources are not wasted.
 - C. goals are achieved but resources are wasted.
 - D. performance effectiveness is high.
 - E. goals are not achieved but resources are not wasted.

Answer: A

Learning Objective: 1.2
 Difficulty: Moderate
 AACSB: Analytical thinking
 Bloom's Taxonomy: Comprehension

57. The productivity of a company is effective and efficient if its:
- A. goals are not achieved and resources are wasted.
 - B. goals are achieved and resources are not wasted.
 - C. goals are achieved but resources are wasted.
 - D. performance effectiveness is low.
 - E. goals are not achieved but resources are not wasted.

Answer: B
 Learning Objective: 1.2
 Difficulty: Moderate
 AACSB: Analytical thinking
 Bloom's Taxonomy: Comprehension

58. _____ is an output measure of task or goal accomplishment.
- A. Job satisfaction
 - B. Competency
 - C. Performance effectiveness
 - D. Performance efficiency
 - E. Tech IQ

Answer: C
 Learning Objective: 1.2
 Difficulty: Easy
 AACSB: Analytical thinking
 Bloom's Taxonomy: Knowledge

59. The difference between performance effectiveness and performance efficiency is that the:
- A. former is an output measure of goal accomplishment and the latter is an input measure of the resource costs associated with goal accomplishment.
 - B. former focuses on resource utilization and the latter focuses on the quantity and quality of work performance.
 - C. former emphasizes machine efficiency, while the latter emphasizes human capital.
 - D. former emphasizes the performance of the team as a whole and the latter emphasizes the performance of the individual employees.
 - E. former leads to a decrease in customer satisfaction, while the latter reduces productivity.

Answer: A

Learning Objective: 1.2
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

60. Mathilda, who works for an insurance company, has the capacity to sell fifteen insurance policies a day. However, she sells only ten insurance policies a day. This is a typical example of _____.
A. information asymmetry
B. the glass ceiling effect
C. inefficiency
D. an ecological fallacy
E. the functional chimneys problem

Answer: C
Learning Objective: 1.2
Difficulty: Moderate
AACSB: Application of knowledge
Bloom's Taxonomy: Application

61. _____ is an input measure of the resource costs associated with goal accomplishment.
A. Productivity
B. Profit
C. Performance effectiveness
D. Performance efficiency
E. Revenue

Answer: D
Learning Objective: 1.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

62. Which of the following is true in the context of present day organizational trends?
A. Workers are more tolerant of hierarchy.
B. Little attention is paid to preservation of natural resources.
C. There is a greater focus on valuing human capital.
D. Organizations are less horizontal in focus.
E. Traditional top-down bosses are popular.

Answer: C
Learning Objective: 1.2
Difficulty: Moderate
AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

63. In nonprofit organizations such as a hospital or university, a _____ is mainly responsible for the smooth running of the organization.
- A. team leader
 - B. board of trustees
 - C. middle manager
 - D. chief executive officer
 - E. department head

Answer: B

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

64. Who elects the members of the board of directors?
- A. Top managers
 - B. Stockholders
 - C. Middle managers
 - D. First-line managers
 - E. Senior staff

Answer: B

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

65. To which of the following categories does the chief financial officer (CFO) of an organization typically belong?
- A. Board of directors
 - B. Middle managers
 - C. First-line managers
 - D. Top managers
 - E. Board of trustees

Answer: D

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

66. The chief information officer (CIO) of an organization belongs to the category of _____.
A. board of directors
B. middle managers
C. first-line managers
D. top managers
E. board of trustees

Answer: D

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

67. Clinic directors in hospitals, deans in universities, and division managers in businesses belong to the category of _____.
A. board of directors
B. middle managers
C. first-line managers
D. top managers
E. board of trustees

Answer: B

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

68. _____ are in charge of guiding the performance of an organization as a whole or of one of its major parts.
A. Top managers
B. Board of directors
C. Middle managers
D. First-line managers
E. Board of trustees

Answer: A

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

69. The middle managers of an organization:

- A. are in charge of the organization as a whole.
- B. are appointed by the stockholders of an organization.
- C. oversee the work of large departments.
- D. hold titles such as department head, team leader, or supervisor.
- E. constitute an executive team that reports to the board.

Answer: C

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

70. Team leaders ideally report to the ____.
- A. top managers
 - B. board of directors
 - C. board of trustees
 - D. first-line managers
 - E. middle managers

Answer: E

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

71. ____ directly contribute to producing an organization's goods or services.
- A. Line managers
 - B. Staff managers
 - C. Top managers
 - D. Middle managers
 - E. Trustees

Answer: A

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

72. Staff managers:
- A. directly contribute to producing an organization's goods.
 - B. use special technical expertise to advise and support line workers.
 - C. look after the administration of nonprofit organizations.
 - D. are appointed by the stockholders.
 - E. elect the top managers.

Answer: B
 Learning Objective: 1.3
 Difficulty: Easy
 AACSB: Analytical thinking
 Bloom's Taxonomy: Knowledge

73. Kenneth is the sales manager of a firm and his responsibility is limited to the sphere of marketing. Kenneth's job profile indicates that he is a _____ of the firm.
- A. director
 - B. general manager
 - C. trustee
 - D. stockholder
 - E. functional manager

Answer: E
 Learning Objective: 1.3
 Difficulty: Moderate
 AACSB: Application of knowledge
 Bloom's Taxonomy: Application

74. Charlie oversees all the operations of a firm, from purchasing to manufacturing to human resources to finance and accounting functions. Charlie is the _____ of the firm.
- A. general manager
 - B. line manager
 - C. functional manager
 - D. team leader
 - E. director

Answer: A
 Learning Objective: 1.3
 Difficulty: Moderate
 AACSB: Application of knowledge
 Bloom's Taxonomy: Application

75. A manager in a public or nonprofit organization might be referred to as a(n)_____.
- A. director
 - B. president
 - C. administrator
 - D. team leader
 - E. trustee

Answer: C

Learning Objective: 1.3
 Difficulty: Easy
 AACSB: Analytical thinking
 Bloom's Taxonomy: Knowledge

76. _____ is the requirement of one person to show performance results to a supervisor.
- A. Productivity
 - B. Competency
 - C. Performance effectiveness
 - D. Accountability
 - E. Performance efficiency

Answer: D
 Learning Objective: 1.3
 Difficulty: Easy
 AACSB: Analytical thinking
 Bloom's Taxonomy: Knowledge

77. Corporate governance is most likely to occur when:
- A. a board of directors holds the top management accountable for organizational performance.
 - B. minority members are denied the full benefits of organizational membership.
 - C. the traditional top-down "do as I say" form of management prevails.
 - D. top managers guide the performance of an organization as a whole.
 - E. team leaders report to middle managers about the performance of the nonmanagerial workers.

Answer: A
 Learning Objective: 1.3
 Difficulty: Easy
 AACSB: Analytical thinking
 Bloom's Taxonomy: Knowledge

78. _____ is the overall quality of human experiences in the workplace.
- A. Productivity
 - B. Competency
 - C. Performance effectiveness
 - D. Quality of work life
 - E. Performance efficiency

Answer: D
 Learning Objective: 1.3
 Difficulty: Easy
 AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

79. The upside-down pyramid view of organizations shows:
- A. managers at the top being in charge of the overall operations of the organization.
 - B. customers at the top being served by workers who are supported by managers.
 - C. that board of directors can hold top management accountable for organizational performance.
 - D. that operating and frontline workers are at the bottom of the pyramid followed by the middle managers.
 - E. that the primary job of top executives is to preserve the resources of the company.

Answer: B

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

80. Which of the following is typically the first step of the management process?
- A. Organizing
 - B. Analyzing
 - C. Leading
 - D. Controlling
 - E. Planning

Answer: E

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

81. In the context of the management process, _____ is the process of setting objectives and determining what should be done to accomplish them.
- A. organizing
 - B. inspiring
 - C. leading
 - D. planning
 - E. controlling

Answer: D

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

82. In the context of the management process, organizing is the process of:
- A. setting objectives and determining what should be done to accomplish them.
 - B. assigning tasks, allocating resources, and coordinating work activities.
 - C. preparing team members to achieve closure and disband.
 - D. measuring performance and taking action to ensure desired results.
 - E. motivating team members to increase team cohesiveness to ensure the occurrence of groupthink.

Answer: B

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

83. In the context of the management process, leading primarily involves:
- A. setting objectives and determining what should be done to accomplish them.
 - B. assigning tasks, allocating resources, and coordinating work activities.
 - C. arousing enthusiasm and inspiring efforts to achieve goals.
 - D. preparing team members to achieve closure and disband.
 - E. developing action priorities for accomplishing goals and plans.

Answer: C

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

84. In the context of the management process, which of the following best describes the process of controlling?
- A. It is the process of setting objectives and determining what should be done to accomplish them.
 - B. It is the process of assigning tasks, allocating resources, and coordinating work activities.
 - C. It is the process of arousing enthusiasm and inspiring efforts to achieve goals.
 - D. It is the process of measuring performance and taking action to ensure desired results.
 - E. It is the process of developing action priorities for accomplishing goals and plans.

Answer: D

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

85. According to Mintzberg, a manager's informational roles involve being a(n) _____.
A. leader
B. disturbance handler
C. disseminator
D. entrepreneur
E. resource allocator

Answer: C

Learning Objective: 1.4

Difficulty: Easy

AACSB: Written and oral communication

Bloom's Taxonomy: Knowledge

86. In accordance with the ten managerial roles mentioned by Mintzberg, as a monitor, a manager is required to:
A. scan for information.
B. provide direction.
C. handle budgets.
D. forge agreements.
E. share information.

Answer: A

Learning Objective: 1.4

Difficulty: Easy

AACSB: Written and oral communication

Bloom's Taxonomy: Knowledge

87. According to Mintzberg, the interpersonal roles of a manager primarily involve:
A. the giving, receiving, and analyzing of information.
B. providing direction and instilling enthusiasm.
C. handling budgets and distributing resources.
D. making deals and forging agreements.
E. interacting with people inside and outside the work unit.

Answer: E

Learning Objective: 1.4

Difficulty: Easy

AACSB: Written and oral communication

Bloom's Taxonomy: Knowledge

88. According to Mintzberg, as a resource allocator, a manager is mainly involved in:
A. the giving, receiving, and analyzing of information.

- B. providing direction and instilling enthusiasm.
- C. handling budgets and distributing resources.
- D. making deals and forging agreements.
- E. interacting with people inside and outside the work unit.

Answer: C

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

89. Being an entrepreneur, disturbance handler, resource allocator, and negotiator are part of the _____ roles of a manager.
- A. decisional
 - B. informational
 - C. interpersonal
 - D. monitoring
 - E. allocation

Answer: A

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

90. _____ primarily involves developing action priorities for accomplishing goals and plans.
- A. Organizing
 - B. Agenda setting
 - C. Capitalizing
 - D. Information scanning
 - E. Controlling

Answer: B

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

91. The process of creating positive relationships with people who can help advance agendas is referred to as _____.
- A. organizing
 - B. networking
 - C. capitalizing

- D. allocating
- E. controlling

Answer: B

Learning Objective: 1.4

Difficulty: Easy

AACSB: Written and oral communication

Bloom's Taxonomy: Knowledge

92. Which of the following best describes social capital?
- A. It is a unique form of ethical entrepreneurship that seeks novel ways to solve pressing social problems.
 - B. It is the ability to manage ourselves and our relationships effectively.
 - C. It is a capacity to create positive relationships with people who can help advance agendas.
 - D. It is the capacity to get things done with the support and help of others.
 - E. It is the ability to think analytically to diagnose and solve complex problems.

Answer: D

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

93. Which of the following best describes learning?
- A. It is a change in behavior that results from experience.
 - B. It is the capacity to get things done with the support and help of others.
 - C. It is the process of measuring performance and taking action to ensure desired results.
 - D. It is the ability to use expertise to perform a task with proficiency.
 - E. It is the ability to think analytically and achieve integrative problem solving.

Answer: A

Learning Objective: 1.5

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

94. A(n) _____ is the ability to translate knowledge into action that results in desired performance.
- A. concept
 - B. commitment
 - C. agenda
 - D. process

E. skill

Answer: E

Learning Objective: 1.5

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

95. A technical skill is the ability to:
- A. work well in cooperation with other people.
 - B. focus on the “soft” skills at work.
 - C. use expertise to perform a task with proficiency.
 - D. think analytically and diagnose and solve complex problems.
 - E. manage ourselves and our relationships effectively.

Answer: C

Learning Objective: 1.5

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

96. A prospective employer asks Berta, “What kind of contribution can you make to our company with your knowledge?” The employer is focusing on Berta's _____ skills.
- A. human
 - B. conceptual
 - C. interpersonal
 - D. critical thinking
 - E. technical

Answer: E

Learning Objective: 1.5

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

97. Knowing how to write a business plan, using statistics to analyze data from a market survey, and preparing visual aids for a presentation are part of a manager's _____ skills.
- A. peripheral
 - B. technical
 - C. human
 - D. conceptual
 - E. advanced

Answer: B
Learning Objective: 1.5
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

98. A(n) _____ skill is the ability to think analytically to diagnose and solve complex problems.
- A. conceptual
 - B. human
 - C. technical
 - D. kinesthetic
 - E. interpersonal

Answer: A
Learning Objective: 1.5
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

99. Human skills are also referred to as _____ skills.
- A. conceptual
 - B. interpersonal
 - C. technical
 - D. emotional
 - E. intellectual

Answer: B
Learning Objective: 1.5
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

100. Which of the following is a defining characteristic of a manager with good human skills?
- A. Capacity to break problems into smaller parts
 - B. Knowing how to write a business plan
 - C. A high degree of emotional intelligence
 - D. Expertise at handling budgets and distributing resources
 - E. Ability to inspire efforts to achieve goals

Answer: C
Learning Objective: 1.5
Difficulty: Moderate

AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

101. A(n) _____ skill precisely refers to the ability to work well in cooperation with other people.
- A. conceptual
 - B. technical
 - C. emotional
 - D. human
 - E. analytical

Answer: D
Learning Objective: 1.5
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

102. _____ is the ability to manage ourselves and our relationships effectively.
- A. Conceptual skill
 - B. Technical skill
 - C. Tech IQ
 - D. Emotional intelligence
 - E. Critical thinking

Answer: D
Learning Objective: 1.5
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

103. Allen, a salesman at a retail store, is a quick learner and knows how to handle customers. He could become an assistant manager if he wasn't reluctant to take on more responsibility and eager to get off work soon. Which of the following skills does Allen lack, for his career advancement?
- A. Competence
 - B. Commitment
 - C. Knowledge
 - D. Aptitude
 - E. Analytical

Answer: B
Learning Objective: 1.1
Difficulty: Moderate
AACSB: Application of knowledge
Bloom's Taxonomy: Application

104. Collin, a trainee with an event management firm, was asked to coordinate the designing, production, and installment of banners and posters for an upcoming project. He was assigned a particular amount of money for this purpose. Collin completed the job in time but exhausted his resources. He made a request for additional funds to make the remaining payments to the vendors. In which of the following ways can Collin's performance be categorized?
- A. Effective but not efficient
 - B. Effective and efficient
 - C. Neither effective nor efficient
 - D. Not effective but efficient
 - E. Essential but not effective

Answer: A

Learning Objective: 1.2

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

105. Ryan works in a private firm and manages the accounts department with a team of four junior accountants. In this scenario, Ryan be categorized as a ____.
- A. line manager
 - B. boundary spanner
 - C. functional manager
 - D. general manager
 - E. nonmanagerial worker

Answer: C

Learning Objective: 1.3

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

106. As a manager, Rachel made sure that her employees' morale was always high by conducting open discussions on projects, initiating programs to help employees deal with various aspects of their lives, and acknowledging the work they were doing. Which of the following functions of management is being executed by Rachel?
- A. Planning
 - B. Organizing
 - C. Controlling
 - D. Leading
 - E. Measuring

Answer: D

Learning Objective: 1.4

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

107. Alex is a software engineer and develops games for Supergamer.com. Which of the following skills is most likely to be used by Alex for fulfilling his job responsibilities?
- A. Financial skills
 - B. Gross motor skills
 - C. Interpersonal skills
 - D. Human skills
 - E. Technical skills

Answer: E

Learning Objective: 1.5

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

108. Glenn refused to promote Carmelia to the position of a global manager because she belonged to a minority community. He was of the opinion that her ethnic identity would limit her from working effectively and that it would make the company's clients uncomfortable. Which attitude has Glenn displayed in his decision?
- A. Discrimination
 - B. Favoritism
 - C. Opportunism
 - D. Autocracy
 - E. Incompetency

Answer: A

Learning Objective: 1.1

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

109. Bumblebee is a toy manufacturing company. Though the company has been effective in managing its resources without any wastage, its productivity efficiency report shows a decrease in the year 2013 when compared to the previous year. This outcome indicates that its productivity is ____.
- A. efficient but not effective
 - B. neither effective nor efficient
 - C. effective and efficient
 - D. effective but not efficient
 - E. stagnant

Answer: A
Learning Objective: 1.2
Difficulty: Hard
AACSB: Application of knowledge
Bloom's Taxonomy: Application

110. Gary has been promoted to one of the top managerial positions in his company. He needs to set new goals and missions for his team. Which of the following functions will Gary ideally carry out in his new capacity?
- A. Make decisions regardless of a difference of opinion with his superiors
 - B. Be attentive to any potential long-run problems and opportunities
 - C. Take control of divisions consisting of several smaller work units
 - D. Reduce the quality and quantity of inputs to increase the outputs
 - E. Take charge of a small work group composed of non-managerial workers

Answer: B
Learning Objective: 1.3
Difficulty: Hard
AACSB: Application of knowledge
Bloom's Taxonomy: Application

111. Pauline, a manager at Woorth Industries, acts as a translator for the company's clients in China because of her fluency in Mandarin. Which of the following roles of a manager is she performing in this scenario?
- A. Resource allocator
 - B. Monitor
 - C. Spokesperson
 - D. Leader
 - E. Disturbance handler

Answer: C
Learning Objective: 1.4
Difficulty: Moderate
AACSB: Application of knowledge
Bloom's Taxonomy: Application

112. Ronald, a marketing manager at Tesron Automobiles, is discussing an automobile concept with the design team, and the discussion quickly turns argumentative. Ronald, aware of his tendency to get angry very quickly, diffuses the argument by diverting the group's attention to another topic. This scenario illustrates that Ronald has a high degree of ____.
- A. technical skills
 - B. critical thinking
 - C. marketing skills

- D. emotional intelligence
- E. cognitive intelligence

Answer: D

Learning Objective: 1.5

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

Essay Questions

113. Why is job migration considered to be a side effect of globalization? How is it being dealt with in the U.S.?

Answer: One controversial side effect of globalization is job migration, the shifting of jobs from one country to another. The U.S. economy has been a net loser to job migration while countries like China, India, and the Philippines have been net gainers. Politicians and policymakers regularly debate the high costs of job migration as local workers lose jobs, and their communities lose economic vitality. One side looks for new government policies to stop job migration and protect the jobs of U.S. workers. The other side calls for patience, believing that the national economy will strengthen and grow jobs in the long run as the global economy readjusts.

Learning Objective: 1.1

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

114. List some of the changes in present organizational trends.

Answer: Here are some of the changes in present organizational trends:

- Focus on valuing human capital: The premium is on high-involvement work settings that rally the knowledge, experience, and commitment of all members.
- Demise of "command-and-control": Traditional top-down "do as I say" bosses are giving way to participatory bosses who treat people with respect.
- Emphasis on teamwork: Organizations are more horizontal in focus and driven by teamwork that pools talents for creative problem solving.
- Preeminence of technology: New developments in computer and information technology continually change the way organizations operate and how people work.
- Importance of networking: Organizations and their members are networked for intense, real-time communication and coordination.
- New workforce expectations: A new generation of workers is less tolerant of hierarchy, more informal, attentive to performance merit, and concerned for work-life balance.

- Priorities on sustainability: Social values show more attention to the preservation of natural resources for future generations and understanding how work affects human well-being.

Learning Objective: 1.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

115. Discuss the hierarchical structure of typical business organizations.

Answer: At the highest levels of business organizations, we find the board of directors whose members are elected by stockholders to represent their ownership interests. In nonprofit organizations such as a hospital or university, this level is often called a board of trustees, and it may be elected by local citizens, appointed by government bodies, or invited by existing members.

The top managers including the chief executive officer (CEO), chief operating officer (COO), chief financial officer (CFO), chief information officer (CIO), chief diversity officer (CDO), president, and vice president constitute an executive team that reports to the board and is responsible for the performance of an organization as a whole or for one of its larger parts.

Middle managers report to top managers and are in charge of relatively large departments or divisions consisting of several smaller work units. Examples are clinic directors in hospitals; deans in universities; and division managers, plant managers, and regional sales managers in businesses. Middle managers work with top managers, coordinate with peers, and support lower levels to develop and pursue action plans that implement organizational strategies to accomplish key objectives.

Team leaders report to middle managers and supervise nonmanagerial workers.

Learning Objective: 1.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

116. Briefly explain the four management functions.

Answer: The four functions of management in what is called the management process are—planning, organizing, leading, and controlling.

Planning is the process of setting performance objectives and determining what actions should be taken to accomplish them. Through planning, a manager identifies desired results and ways to achieve them.

Organizing is the process of assigning tasks, allocating resources, and coordinating work activities.

Leading is the process of arousing enthusiasm and inspiring efforts to achieve goals.

Controlling is the process of measuring performance and taking action to ensure desired results.

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

117. Discuss the various roles performed by a manager.

Answer: The managerial roles fall into three categories—informational, interpersonal, and decisional roles.

A manager's informational roles involve the giving, receiving, and analyzing of information. A manager fulfilling these roles will be a monitor, scanning for information; a disseminator, sharing information; and a spokesperson, acting as official communicator. The interpersonal roles involve interactions with people inside and outside the work unit. A manager fulfilling these roles will be a figurehead, modeling and setting forth key principles and policies; a leader, providing direction and instilling enthusiasm; and a liaison, coordinating with others. The decisional roles involve using information to make decisions to solve problems or address opportunities. A manager fulfilling these roles will be a disturbance handler, dealing with problems and conflicts; a resource allocator, handling budgets and distributing resources; a negotiator, making deals and forging agreements; and an entrepreneur, developing new initiatives.

Learning Objective: 1.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge