

Chapter 01

Managing and Performing

True / False Questions

1. The reason that companies fail is nearly always a change in the environment.

True False

2. Managers succeed by focusing on fundamentals and knowing what's important.

True False

3. The four key elements that make the current business environment different from the past include globalization, technological change, the importance of knowledge and ideas, and collaboration across organizational "boundaries."

True False

4. A global company can be headquartered anywhere, but the managers all come from the United States.

True False

5. Until recently the move to globalization was growing very quickly. Now the change from local to global has leveled off and countries are pushing back in favor of localization.

True False

6. Globalization affects only large companies with operations overseas.

True False

7. Technology has had only positive effects in the workplace, due to the tremendous opportunities it presents.

True False

8. It can be said that technology both complicates things and creates new opportunities.

True False

9. Most social networking sites, part of a wave of "Web 2.0" changes occurring the last 10 years, are now stable and profitable.

True False

10. Knowledge management is a set of practices aimed at discovering and harnessing the competition's intellectual resources.

True False

11. The most precious resources of an organization are people's expertise, skills, wisdom, and relationships.

True False

12. Effective collaboration can occur within but not between organizations.

True False

13. Customers can be effectively involved in company decisions, especially when it comes to areas like new product development.

True False

14. The key to company success is how transformative a product will be to society as a whole or to the industry in which a company operates.

True False

15. The fundamental success drivers for an organization are individuality, identifiability, cost competitiveness, and growth.

True False

16. Innovation is the introduction of new goods and services.

True False

17. If an organization does not innovate, it will soon cease to exist.

True False

18. Developing countries are becoming hotbeds of innovation, delivering new goods and services more cheaply than Western counterparts.

True False

19. Quality is defined as the level of expenditure both for the creation of a product and the sales price to the customer.

True False

20. The theory of total quality includes preventing defects before they occur.

True False

21. Aesthetics, while important to customers, is not considered an aspect of quality.

True False

22. Today customers value both the quality of physical goods and the quality of services.

True False

23. Service is the speed and dependability with which an organization delivers what customers want.

True False

24. One dimension of service quality is making it easy and enjoyable for customers to experience a service or to buy and use products.

True False

25. Corporate speed means being fast to respond to both your customers and the competition.

True False

26. Cost competitiveness means pricing your products lower than all competitors' products.

True False

27. The Internet has made cost competitiveness a more important consideration for businesses.

True False

28. Rising demand for resources, limited supplies, and changing social attitudes have contributed to the popularity of sustainable approaches to business.

True False

29. Sustainability is fundamentally a cost-cutting effort.

True False

30. The best managers and companies focus primarily on one of the six dimensions of competitive advantage, such as cost alone or quality alone.

True False

31. Management is the process of working with people and resources to make a profit under any circumstances.

True False

32. In terms of good management, efficiency and effectiveness differ in their focus on resources.

True False

33. Efficiency is far more important than effectiveness in today's competitive environment.

True False

34. The four traditional functions of management include planning, organizing, supporting, and satisfying.

True False

35. The planning function can be described as delivering strategic value.

True False

36. Value is "strategic" when it contributes to meeting the organization's goals.

True False

37. Ideally, planning is a top-down function in which top executives establish business plans and tell others to implement them.

True False

38. The management function known as organizing refers to assembling and coordinating the resources needed to achieve goals.

True False

39. In the future, organizing will include creating an organization chart and having a personnel department that administers plans, programs, and paperwork.

True False

40. Leading is defined as coordinating and manipulating human resources to maximize opportunity.

True False

41. Controlling is the management function responsible for monitoring performance and implementing necessary changes.

True False

42. To become an effective manager you should choose one or two of the four management functions in which to become expert. An outstanding manager need only be proficient in one or two of the functions and can hire others to do the remaining ones.

True False

43. Top managers are also called tactical managers since they must translate the general goals into specific objectives and activities.

True False

44. Frontline managers often have titles such as supervisor or sales manager.

True False

45. The need for interpersonal and communication skills fades as a manager moves from the lower levels of an organization into the upper management arena.

True False

46. As managers rise through an organization, they will probably rely less on their technical skills.

True False

47. Interpersonal skills are most important early in your career, whereas technical skills become more necessary as you rise higher in the company.

True False

48. Being a manager is more like being the conductor of an orchestra than playing an instrument in it.

True False

49. Emotional intelligence involves the skills of understanding yourself, managing yourself, and dealing effectively with others.

True False

50. In today's work environment, one should focus solely on becoming a specialist because jobs are becoming so specialized.

True False

51. Social capital is the goodwill stemming from your social relationships.

True False

52. In managing your career, it is important to know that now, more than ever, individuals will be held accountable for their actions and for results.

True False

Multiple Choice Questions

53. Which of the following is one of the key elements that make the current business landscape different from the past?

- A. Uniformity of offerings
- B. Collaboration across organizational boundaries
- C. Quality
- D. Cost competitiveness
- E. Speed

54. Successful managers know that the change from a local to a global marketplace is

- A. Irrelevant to today's business environment.
- B. Irreversible.
- C. Unchanging.
- D. Slowing.
- E. No different than it has been over the last three decades.

55. Globalization is an issue primarily for

- A. Large transnational firms.
- B. Transnational firms of any size.
- C. Small companies with local customers only.
- D. Domestic firms with overseas sales.
- E. All firms.

56. Which of the following statements about the Internet is true?

- A. The Internet has reduced threats to most businesses.
- B. The Internet drives down costs.
- C. The Internet's only impact on business is indirect because it impacts customers.
- D. The Internet has had a slowing effect on globalization.
- E. The Internet slows decision making because so much extra information is available.

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

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

58. Which of the following statements about collaboration is true?

- A. Collaboration occurs only within the boundaries of the organization.
- B. A sole focus on unit performance spurs collaboration.
- C. It is unrealistic to think that the company can collaborate with its customers.
- D. Disclosing your plans by collaborating with consultants and suppliers is not a good idea because they may also be working with your competitors.
- E. Collaboration is an important process of knowledge management.

59. _____ is the introduction of new goods and services.

- A. Collaboration
- B. Invention
- C. Innovation
- D. Adaptation
- E. Inception

60. _____ is defined as the excellence of your product.

- A. Innovation
- B. Quality
- C. Demand
- D. Six sigma
- E. Customization

61. Which of the following is a way to measure quality?

- A. Product performance.
- B. Conformance to standards.
- C. Reliability.
- D. Aesthetics.
- E. All of these.

62. In a competitive context, _____ means giving customers what they want or need, when they want it.

- A. service
- B. quality
- C. innovation
- D. speed
- E. competitiveness

63. _____, or the rapid execution, response, and delivery of results, often separates the winners from the losers in the modern business environment.

- A. Service
- B. Quality
- C. Innovation
- D. Speed
- E. Competitiveness

64. Cost competitiveness means that you

- A. Sacrifice quality to keep costs low.
- B. Carefully monitor costs mainly during the start-up phase of the business.
- C. Price your product or service at a level attractive to consumers.
- D. Manage your costs by being effective.
- E. Offer a high-quality product at a higher price.

65. Managing your costs and keeping them down requires being

- A. Effective.
- B. Fast.
- C. Mindful of high service requirements.
- D. Efficient.
- E. Collaborative.

66. Sustainability is the effort to minimize the use of resources, especially those that are

- A. Foreign-produced.
- B. Subject to fluctuations in price on the open market.
- C. In high demand in developing nations.
- D. Polluting and nonrenewable.
- E. Not important to future innovation.

67. Done properly, _____ allows people to live and work in ways that can be maintained over the long term (generations) without depleting or harming our resources.

- A. sustainability
- B. total quality
- C. innovation
- D. collaboration
- E. cost competitiveness

68. Which of the following statements about the sources of competitive advantage is true?

- A. The best companies choose one source of competitive advantage and perfect it.
- B. Managing the sources of competitive advantage is a zero-sum game where one source improves at the expense of the other.
- C. It is possible to improve quality and also enhance speed.
- D. Outsourcing certain functions is likely to decrease innovation.
- E. The faster the product is provided, the more innovation suffers.

69. _____ is the process of working with people and resources to accomplish organizational goals.

- A. Planning
- B. Management
- C. Controlling
- D. Decision making
- E. Collaboration

70. In terms of good management, efficiency differs from effectiveness primarily in the former's focus on

- A. Customer satisfaction.
- B. Shareholder profits.
- C. Customer retention.
- D. Employee turnover.
- E. Resource use.

71. The four traditional management functions, still relevant today, include

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

72. The management function of _____ is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals.

- A. strategizing
- B. leading
- C. organizing
- D. planning
- E. controlling

73. Planning involves which of the following?

- A. Analyzing current situations.
- B. Determining rewards for goals achievement.
- C. Attracting people to the organization.
- D. Motivating employees.
- E. Implementing necessary changes.

74. The managers at Capturion Action Cameras are currently developing strategies for the company's new products and setting objectives for its business units. These managers are engaged in the management function of

- A. Organizing.
- B. Planning.
- C. Goal coordination.
- D. Controlling.
- E. Initiating.

75. The planning function in the new business environment can also be described more dynamically as

- A. Creating conditions so that people and things work together to achieve maximum success.
- B. Delivering strategic value.
- C. Stimulating people to be high performers.
- D. Monitoring performance and implementing needed changes.
- E. Motivating workers to do their jobs effectively.

76. Building a dynamic organization is another way of describing which function of management?

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

77. The management function of _____ involves assembling and coordinating organizational resources.

- A. controlling
- B. planning
- C. organizing
- D. optimizing
- E. quantifying

78. Biomark Software has recently implemented new reporting relationships in its organization due to tremendous growth. Managers are determining new job responsibilities for individuals and resource allocation for its new business units. Biomark managers are performing the management function of

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

79. Lorenzo is a general manager for Perry Mechanical Engineers. He is considering some changes to the production floor, including layout adjustments and the purchase of new equipment to improve efficiency. He also wants to promote one of his supervisors to be his assistant manager. Lorenzo is currently involved in which dimension of management?

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

80. A manager's ability to stimulate people to be high performers is referred to as

- A. Planning.
- B. Organizing.
- C. Leading.
- D. Controlling.
- E. Monitoring.

81. As one of the key management functions, leading focuses on a manager's efforts to

- A. Mobilize people to contribute their ideas.
- B. Build organizations that are flexible and adaptive.
- C. Make sure goals are met.
- D. Identify opportunities for sustainable advantage.
- E. Build a dynamic organization.

82. _____ involves monitoring performance and making necessary changes.

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

83. When Bethany Hoyt, manager of First Step Telemarketing, realized that her plan to increase sales levels among associates was not producing the desired results, she took quick action to make necessary adjustments. Bethany was performing the management function of

- A. Planning.
- B. Organizing.
- C. Leading.
- D. Controlling.
- E. Communicating.

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

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

85. The three levels of managers within large organizations are

- A. International, regional, and local.
- B. Managerial, functional, and direct.
- C. Technical, functional, and departmental.
- D. Upper-level, top management, and functional.
- E. Top-level, middle-level, and frontline.

86. Senior executives responsible for the overall management and effectiveness of the organization are called

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

87. Top-level managers focus on

- A. Long-term survival of an organization.
- B. Translating goals and objectives into specific activities.
- C. Managing frontline managers.
- D. Supervising nonmanagement employees.
- E. Initiating new daily activities.

88. _____ managers are typically concerned with the interaction between the organization and its external environment.

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

89. CEO, president, COO, and vice president are all titles typical of which level of management?

- A. Strategic.
- B. Tactical.
- C. Operational.
- D. Functional.
- E. Regional.

90. Which type of manager has responsibility for translating the general goals and plans developed for an organization into more specific activities?

- A. Operational managers.
- B. Functional managers.
- C. Activities managers.
- D. Strategic managers.
- E. Tactical managers.

91. Tactical managers are often referred to as

- A. Center managers.
- B. Middle-level managers.
- C. Lower-level managers.
- D. Operational managers.
- E. Upper-middle managers.

92. As a manager at Prescott Fine Jewelry (PFJ), Jerald Walker spends much of his time coaching new sales managers and making sure that information coming from headquarters reaches the PFJ branches so they will be successful. Jerald would best be described as a(n)

- A. Frontline manager.
- B. Tactical manager.
- C. Operational manager.
- D. Top-level manager.
- E. Institutional controller.

93. Lower-level managers who supervise the operational activities of the organization are called

- A. Frontline managers.
- B. Middle managers.
- C. Top-level managers.
- D. Tactical managers.
- E. Primary managers.

94. Managers responsible for supervising the operations of an organization are referred to as

- A. Primary managers.
- B. Functional managers.
- C. Supervisory managers.
- D. Operational managers.
- E. Tactical managers.

95. Operational managers play a crucial role in an organization because they provide

- A. The link between managerial and nonmanagerial personnel.
- B. Discipline for problem managers.
- C. The key plans for an organization's success.
- D. Feedback on top management performance.
- E. Direction and strategy for the organization.

96. Mingjin supervises employees that work on the floor of the Superior Pet Food factory. She cooperates closely with her manager in determining ways to improve the efficiency of the manufacturing process, and then works to implement those plans. Mingjin would be considered a(n)

- A. Frontline manager.
- B. Tactical manager.
- C. Middle-level manager.
- D. Top-level manager.
- E. Administrative controller.

97. Titles such as foreman, sales manager, shift manager, or supervisor typically belong to managers at what level?

- A. Strategic.
- B. Middle.
- C. Primary.
- D. Operational.
- E. Tactical.

98. In smaller entrepreneurial firms and even in more adaptive larger firms, managers

- A. Are no longer utilized.
- B. Rely more heavily on technical skills.
- C. Serve as "experts" on whom the entire firm depends.
- D. Have strategic, tactical, and operational responsibilities.
- E. Focus on internal operations only.

99. Which of the following lists represents skills that managers need?

- A. Interpersonal and communication, conceptual and decision, and professional.
- B. Technical, interpersonal and communication, and conceptual and decision.
- C. Identificational, technical, and interpersonal and communication.
- D. Conceptual and decision, professional, and technical.
- E. Professional, technical, and identificational.

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

- A. conceptual
- B. administration
- C. interpersonal
- D. communication
- E. technical

101. Using a particular software program at an expert level, compilation of an accounting statement, and writing advertising copy are all examples of which type of skill?

- A. Technical.
- B. Professional.
- C. Conceptual.
- D. Interpersonal.
- E. Quantitative.

102. Which of Mintzberg's roles involves searching for new business opportunities and initiating new projects to create change?

- A. Leader.
- B. Figurehead.
- C. Entrepreneur.
- D. Resource allocator.
- E. Monitor.

103. Which of Mintzberg's roles involves performing symbolic duties for an organization, like attending ceremonies?

- A. Disseminator.
- B. Spokesperson.
- C. Liaison.
- D. Figurehead.
- E. Disturbance handler.

104. Which of the following roles, as defined by Mintzberg, is a decisional role?

- A. Spokesperson.
- B. Liaison.
- C. Leader.
- D. Disturbance handler.
- E. Monitor.

105. The vice president of Delta Design LLC attended a trade show to make additional supplier and distribution contacts for the business. Which of Mintzberg's roles was the VP playing in this situation?

- A. Leader.
- B. Liaison.
- C. Figurehead.
- D. Spokesperson.
- E. Resource allocator.

106. When a customer service manager works to defuse a situation with an irate customer, which of Mintzberg's roles is he or she taking on?

- A. Liaison.
- B. Disturbance handler.
- C. Negotiator.
- D. Resource allocator.
- E. Leader.

107. _____ skills influence a manager's ability to work well with people.

- A. Decisional
- B. Technical
- C. Interpersonal
- D. Professional
- E. Conceptual

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

- A. Technical skills.
- B. Interpersonal and communication skills.
- C. Diagnostic and relational skills.
- D. Professional and emotional intelligence skills.
- E. Conceptual and decision skills.

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

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

110.No one at Barkley Architecture liked the company's the new website, a real problem given that the firm considered itself expert in design. President Alan Virgos got the team together, solicited feedback, and found help in making improvements. The ability to identify this problem and resolve it is an effective use of _____ skills.

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

111.The importance of managerial skills is exemplified by which of the following statements?

- A. Obtaining high performance from people in the organization is typically easy because of the natural authority managers have over knowledge workers.
- B. Upper-level managers heavily use technical skills as they manage supervisory personnel.
- C. Supervisory-level managers have the most contact with the top-level managers.
- D. Conceptual and decision skills become less important than technical skills as a manager rises higher in the company.
- E. Interpersonal skills are important throughout a manager's career, at every level of management.

112.The set of skills composed of understanding yourself, managing yourself, and dealing effectively with others is called

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

113.Which of the following is a component of emotional intelligence?

- A. Making good decisions.
- B. Dealing with power plays made by others.
- C. Understanding the shortcomings of those you work with.
- D. Advising others how to become happier at work.
- E. Helping others understand why you are correct.

114.A common complaint about leaders, especially those who are newly appointed, is that they lack which of the following?

- A. Emotional understanding.
- B. Empathy.
- C. The ability to receive feedback from subordinates.
- D. Decision-making skills.
- E. Self-control.

115.Which of the following is a recommendation for forging a successful career?

- A. Be a specialist.
- B. Be self-reliant.
- C. Be a generalist.
- D. Actively manage your relationship with your organization.
- E. All of these.

116.Being self-reliant means

- A. Taking full responsibility for yourself, your actions, and your career.
- B. Being open-minded and responding when others have innovative ideas.
- C. Always waiting for orders from higher in the organization.
- D. Trusting that the organization will manage your career.
- E. Responding to the environment before orders come from higher in the organization.

117. Goodwill stemming from social relationships is called

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

118. When you view yourself as an employee and expect your employer to tell you what to do and give you pay and benefits, you are acting as a(n)

- A. Active contributor in a productive relationship.
- B. Agent for social capital.
- C. Passive employee.
- D. Example of an emotionally intelligent employee.
- E. Connected team member.

119. Actively managing your relationship with your organization includes managerial actions such as

- A. Delivering strategic value.
- B. Building a dynamic organization.
- C. Mobilizing people.
- D. Learning and changing.
- E. Doing any of these.

Scenario A

Naturally Yours, Inc. is a new brand of organic clothing recently introduced throughout the world. The company is unique in that it has collaborated with its suppliers and largest potential customers to bring the clothing to market. The concept has been a huge success as the idea of sustainability is becoming more mainstream, especially in developed countries. The quick growth in sales has lead Naomi and Yolanda, the company founders, to look to your consulting company for help in ensuring the future success of the company.

120. Naomi and Yolanda want to maintain a strong competitive advantage in the organic clothing industry. They have consulted with you and have decided to maintain their current direction of continuing to produce new items targeted to new markets, such as children's clothing, in addition to the women's clothing items that were originally designed and produced by the company. Given the information in this scenario, which of the fundamental success drivers are they most likely using?

- A. Planning.
- B. Innovation.
- C. Quality.
- D. Organizing.
- E. Cost competitiveness.

121. Naomi and Yolanda have always focused on being efficient managers. What is the best advice you should give them, given the quick success they have had with Naturally Yours and the information provided in the scenario?

- A. Efficiency is the only key to their continued success.
- B. Now it is time for them to consider only effectiveness, since they clearly have efficiency under control and this is not likely to change in the future.
- C. To continue their success they should maintain a clear focus on both effectiveness and efficiency, especially while their company is experiencing such a high growth in sales.
- D. Now would be the perfect time to buy beautiful homes for their families since they have earned it.
- E. As the top-level managers, the best action plan for them is to carefully design the new items to ensure that these items are well accepted by the target consumers.

122. As the founders of the company, Naomi and Yolanda are best described as

- A. Tactical managers.
- B. Strategic managers.
- C. Middle-managers.
- D. External managers.
- E. Internal managers.

123. When hiring people who are beginning their management careers and who will join Naturally Yours as entry-level supervisors to oversee the design and production of their clothing lines, Naomi and Yolanda should look primarily for which type of skills in these managers?

- A. Conceptual and decision skills.
- B. Monitoring skills.
- C. Language fluency.
- D. Technical skills.
- E. Negotiating skills.

Scenario B

Suppose you are interviewing the CEO of a large company. The CEO is telling you about his/her job as a manager and how he/she spends time. Using the descriptions below, which function of management is the CEO most likely describing in each of the examples?

124. "Recently, I spent a great deal of time looking at how to define jobs and group jobs together to most efficiently utilize the employees in those jobs. Other times, my focus is more toward financial resources."

- A. Planning.
- B. Organizing.
- C. Leading.
- D. Controlling.
- E. Decision making.

125. "My days are filled with opportunities to ask if we are meeting our goals, wondering if things are going as we planned, and making adjustments where needed."

- A. Planning.
- B. Organizing.
- C. Leading.
- D. Controlling.
- E. Decision making.

126. "My job, for some part of each day, is to empower our employees to think of things in new and different ways, not just to come to work and complete the tasks on a list."

- A. Planning.
- B. Organizing.
- C. Leading.
- D. Controlling.
- E. Decision making.

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

- A. Planning.
- B. Organizing.
- C. Leading.
- D. Controlling.
- E. Decision making.

Scenario C

As a management researcher, you are studying management behaviors and the roles that managers play. Your fieldwork takes you to Puffy Treats, a local creampuff bakery in your university's city, to "shadow" the manager for a day. Three events really caught your attention. First, at an early meeting with the Puffy Treats employees, the manager notified the employees of a pending layoff. This news was met with a great deal of anxiety on the part of the employees even though the manager was as kind as she could be when delivering the news. One employee reacted very angrily and became so disruptive that the manager had to call the local police to have her escorted out of the shop. Later in the day, the manager made a call to a supplier to find out if anything "new and interesting" was going on in the bakery industry. Finally, after work, the manager left to attend an employee's wedding.

128. When the manager notified the employees of the pending layoff, which of the roles described by Mintzberg was the manager of Puffy Treats performing?

- A. Leader.
- B. Liaison.
- C. Disseminator.
- D. Spokesperson.
- E. Disturbance handler.

129. When the manager dealt with the angry employee, which of the roles described by Mintzberg was the manager of Puffy Treats performing?

- A. Monitor.
- B. Negotiator.
- C. Disturbance handler.
- D. Resource allocator.
- E. Liaison.

130. When the manager attended the employee's wedding, which of the roles described by Mintzberg was the manager of Puffy Treats performing?

- A. Liaison.
- B. Figurehead.
- C. Spokesperson.
- D. Entrepreneur.
- E. Disturbance handler.

Essay Questions

131. What are the forces behind globalization today? What are the potential impacts on business?

132. List and describe several ways organizations collaborate across boundaries.

133. List and explain each of the six keys to managing for competitive advantage.

134. Briefly describe each of the four key management functions.

135. Differentiate between the various management levels in an organization.

136. At which level of management will you find conceptual and decision skills most utilized? Why?

137. What should you do to forge a successful, gratifying career? Briefly explain each of the four dimensions that should be considered.

Chapter 01 Managing and Performing **Answer Key**

True / False Questions

1. The reason that companies fail is nearly always a change in the environment.

FALSE

Companies, like individuals, succeed or fail for a variety of reasons. Some of these reasons are circumstantial. Most are personal and human and include the decisions managers make and the actions they take.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

2. Managers succeed by focusing on fundamentals and knowing what's important.

TRUE

BusinessWeek's managers succeed by focusing on fundamentals, knowing what's important, and managing well.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

3. The four key elements that make the current business environment different from the past include globalization, technological change, the importance of knowledge and ideas, and collaboration across organizational "boundaries."

TRUE

The four key elements that make the current business landscape different from the past are globalization, technological change, the importance of knowledge and ideas, and collaboration across organizational "boundaries."

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

4. A global company can be headquartered anywhere, but the managers all come from the United States.

FALSE

Globalization means that a company's talent can come from anywhere. For example, half of GE's employees work outside the United States.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

5. Until recently the move to globalization was growing very quickly. Now the change from local to global has leveled off and countries are pushing back in favor of localization.

FALSE

Companies that want to grow often need to tap international markets, where incomes are rising and demand is increasing. The change from a local to a global marketplace is gaining momentum and is irreversible.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

6. Globalization affects only large companies with operations overseas.

FALSE

Globalization affects small companies as well as large. Many small companies export their goods. Many domestic firms assemble their products in other countries. And companies are under pressure to improve their products in the face of intense competition from foreign manufacturers.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

7. Technology has had only positive effects in the workplace, due to the tremendous opportunities it presents.

FALSE

Technology both complicates things and creates new opportunities. The challenges come from the rapid rate at which communication, transportation, information, and other technologies change.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

8. It can be said that technology both complicates things and creates new opportunities.

TRUE

Technology both complicates things and creates new opportunities. The challenges come from the rapid rate at which communication, transportation, information, and other technologies change.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

9. Most social networking sites, part of a wave of "Web 2.0" changes occurring the last 10 years, are now stable and profitable.

FALSE

In 2003 tech guru Tim O'Reilly coined the term "Web 2.0" to describe the exciting new wave of social networking start-ups that allow users to publish and share information. But most failed or are stalled; many fired their chief executives and laid off employees. Very few, other than Facebook, make a profit.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

10. Knowledge management is a set of practices aimed at discovering and harnessing the competition's intellectual resources.

FALSE

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

AACSB: Analytic

Blooms: Remember
Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.
Level of Difficulty: 1 Easy
Topic: Managing in the New Competitive Landscape

11. The most precious resources of an organization are people's expertise, skills, wisdom, and relationships.

TRUE

Knowledge management is about finding, unlocking, sharing, and altogether capitalizing on the most precious resources of an organization: people's expertise, skills, wisdom, and relationships.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.
Level of Difficulty: 1 Easy
Topic: Managing in the New Competitive Landscape

12. Effective collaboration can occur within but not between organizations.

FALSE

Collaboration across "boundaries" occurs even beyond the boundaries of the organization itself. Companies today must motivate and capitalize on the ideas of people outside the organization.

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.
Level of Difficulty: 2 Medium
Topic: Managing in the New Competitive Landscape

13. Customers can be effectively involved in company decisions, especially when it comes to areas like new product development.

TRUE

Companies must realize that the need to serve the customer drives everything else. Best serving the customer can start with involving the customer more in company decisions. For example, companies like Procter & Gamble are getting customers to think creatively and talk with one another online to come up with new product and service ideas.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

14. The key to company success is how transformative a product will be to society as a whole or to the industry in which a company operates.

FALSE

The key to understanding the success of a company is the competitive advantage held by a particular company and how well it can sustain that advantage.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 2 Medium

Topic: Managing for Competitive Advantage

15. The fundamental success drivers for an organization are individuality, identifiability, cost competitiveness, and growth.

FALSE

To succeed, managers must deliver performance. The fundamental success drivers of performance are innovation, quality, service, speed, cost competitiveness, and sustainability.

AACSB: Analytic

Blooms: Understand
Learning Objective: 01-02 Describe the sources of competitive advantage for a company.
Level of Difficulty: 2 Medium
Topic: Managing for Competitive Advantage

16. Innovation is the introduction of new goods and services.

TRUE

Innovation is the introduction of new goods and services. A firm must adapt to changes in consumer demands and to new competitors.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-02 Describe the sources of competitive advantage for a company.
Level of Difficulty: 1 Easy
Topic: Managing for Competitive Advantage

17. If an organization does not innovate, it will soon cease to exist.

TRUE

Products don't sell forever; in fact, they don't sell for nearly as long as they used to because so many competitors are introducing so many new products all the time. A firm must innovate, or it will die.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-02 Describe the sources of competitive advantage for a company.
Level of Difficulty: 1 Easy
Topic: Managing for Competitive Advantage

18. Developing countries are becoming hotbeds of innovation, delivering new goods and services more cheaply than Western counterparts.

TRUE

Developing countries are becoming hotbeds of business innovation, providing new goods and services far more cheaply than their Western counterparts. They are also reinventing production and distribution systems and experimenting with entirely new business models.

AACSB: Analytic

Blooms: Understand
Learning Objective: 01-02 Describe the sources of competitive advantage for a company.
Level of Difficulty: 2 Medium
Topic: Managing for Competitive Advantage

19. Quality is defined as the level of expenditure both for the creation of a product and the sales price to the customer.

FALSE

In general, quality is the excellence of your product. The importance of quality and the standards for acceptable quality have increased dramatically in recent years.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-02 Describe the sources of competitive advantage for a company.
Level of Difficulty: 1 Easy
Topic: Managing for Competitive Advantage

20. The theory of total quality includes preventing defects before they occur.

TRUE

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

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-02 Describe the sources of competitive advantage for a company.
Level of Difficulty: 2 Medium
Topic: Managing for Competitive Advantage

21. Aesthetics, while important to customers, is not considered an aspect of quality.

FALSE

Providing world-class quality requires a thorough understanding of what quality really is. Quality can be measured in terms of product performance, customer service, reliability (avoidance of failure or breakdowns), conformance to standards, durability, and aesthetics.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 2 Medium

Topic: Managing for Competitive Advantage

22. Today customers value both the quality of physical goods and the quality of services.

TRUE

Important quality measures often pertain to the level of service received by customers. This dimension of quality is particularly important because the service sector has come to dominate the U.S. economy.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 2 Medium

Topic: Managing for Competitive Advantage

23. Service is the speed and dependability with which an organization delivers what customers want.

TRUE

In a competitive context, service means giving customers what they want or need, when they want it. So service is focused on continually meeting the needs of customers to establish mutually beneficial long-term relationships.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 1 Easy

Topic: Managing for Competitive Advantage

24. One dimension of service quality is making it easy and enjoyable for customers to experience a service or to buy and use products.

TRUE

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

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 1 Easy

Topic: Managing for Competitive Advantage

25. Corporate speed means being fast to respond to both your customers and the competition.

TRUE

Speed, which means the rapid execution, response, and delivery of results, often separates the winners from the losers. You are far better off if you are faster than the competition and if you can respond quickly to your competitors' actions.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 1 Easy

Topic: Managing for Competitive Advantage

26. Cost competitiveness means pricing your products lower than all competitors' products.

FALSE

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

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 1 Easy

Topic: Managing for Competitive Advantage

27. The Internet has made cost competitiveness a more important consideration for businesses.

TRUE

One reason every company must worry about cost is that consumers can easily compare prices on the Internet from thousands of competitors. Consumers looking to buy popular items, such as cameras, printers, and plane fares, can go online to research the best models and the best deals.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 2 Medium

Topic: Managing for Competitive Advantage

28. Rising demand for resources, limited supplies, and changing social attitudes have contributed to the popularity of sustainable approaches to business.

TRUE

The worldwide trend has been in the direction of greater concern for sustainability. The clashes among the rising demand for resources, limited supplies, and changing social attitudes toward environmental protection mean that the coming decade is likely to have greater focus on resource productivity, the emergence of clean-tech industries, and regulation.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 2 Medium

Topic: Managing for Competitive Advantage

29. Sustainability is fundamentally a cost-cutting effort.

FALSE

Sustainability is more than a cost-cutting effort. Besides reductions in the use of resources consumed for operations, it includes the sale of sustainable products, such as Tesla Motors' goal to sell vehicles that run on electricity rather than burning gasoline.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 2 Medium

Topic: Managing for Competitive Advantage

30. The best managers and companies focus primarily on one of the six dimensions of competitive advantage, such as cost alone or quality alone.

FALSE

Don't assume that you can settle for delivering just one of the six competitive advantages: low cost alone or quality alone, for example. The best managers and companies perform on all of these criteria.

AACSB: Analytic

Blooms: Understand
Learning Objective: 01-02 Describe the sources of competitive advantage for a company.
Level of Difficulty: 2 Medium
Topic: Managing for Competitive Advantage

31. Management is the process of working with people and resources to make a profit under any circumstances.

FALSE

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

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.
Level of Difficulty: 1 Easy
Topic: The Functions of Management

32. In terms of good management, efficiency and effectiveness differ in their focus on resources.

TRUE

Good managers work both effectively and efficiently. To be effective is to achieve organizational goals. To be efficient is to achieve goals with minimal waste of resources, that is, to make the best possible use of money, time, materials, and people.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.
Level of Difficulty: 1 Easy
Topic: The Functions of Management

33. Efficiency is far more important than effectiveness in today's competitive environment.

FALSE

Some managers fail on both criteria, or focus on one at the expense of another. The best managers maintain a clear focus on both effectiveness and efficiency.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 2 Medium

Topic: The Functions of Management

34. The four traditional functions of management include planning, organizing, supporting, and satisfying.

FALSE

The four traditional functions of management are planning, organizing, leading, and controlling.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 1 Easy

Topic: The Functions of Management

35. The planning function can be described as delivering strategic value.

TRUE

Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals. The planning function for the new business environment is more dynamically described as delivering strategic value.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 1 Easy

Topic: The Functions of Management

36. Value is "strategic" when it contributes to meeting the organization's goals.

TRUE

Value is a complex concept. Fundamentally, it describes the monetary amount associated with how well a job, task, good, or service meets users' needs. The better you meet those needs (in terms of quality, speed, efficiency, and so on), the more value you deliver. That value is "strategic" when it contributes to meeting the organization's goals.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 2 Medium

Topic: The Functions of Management

37. Ideally, planning is a top-down function in which top executives establish business plans and tell others to implement them.

FALSE

Historically, planning described a top-down approach in which top executives establish business plans and tell others to implement them. Now and in the future, delivering strategic value is a continual process in which people throughout the organization use their brains and the brains of customers, suppliers, and other stakeholders to identify opportunities to create, seize, strengthen, and sustain competitive advantage.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 2 Medium

Topic: The Functions of Management

38. The management function known as organizing refers to assembling and coordinating the resources needed to achieve goals.

TRUE

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

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 1 Easy

Topic: The Functions of Management

39. In the future, organizing will include creating an organization chart and having a personnel department that administers plans, programs, and paperwork.

FALSE

Historically, organizing involved creating an organization chart and having traditional HR functions. In the future, effective managers will build organizations that are flexible and adaptive, particularly in response to competitive threats and customer needs.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 2 Medium

Topic: The Functions of Management

40. Leading is defined as coordinating and manipulating human resources to maximize opportunity.

FALSE

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

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 1 Easy

Topic: The Functions of Management

41. Controlling is the management function responsible for monitoring performance and implementing necessary changes.

TRUE

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

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 1 Easy

Topic: The Functions of Management

42. To become an effective manager you should choose one or two of the four management functions in which to become expert. An outstanding manager need only be proficient in one or two of the functions and can hire others to do the remaining ones.

FALSE

Managers should devote adequate attention and resources to all four functions. You can be a skilled planner and controller, but if you organize your people improperly or fail to inspire them to perform at high levels, you will not be realizing your potential as a manager. Likewise, it does no good to be the kind of manager who loves to organize and lead, but who doesn't really understand where to go or how to determine whether you are on the right track.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 2 Medium

Topic: The Functions of Management

43. Top managers are also called tactical managers since they must translate the general goals into specific objectives and activities.

FALSE

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

44. Frontline managers often have titles such as supervisor or sales manager.

TRUE

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

45. The need for interpersonal and communication skills fades as a manager moves from the lower levels of an organization into the upper management arena.

FALSE

The importance of skills varies by managerial level. Technical skills are most important early in your career. Conceptual and decision skills become more important than technical skills as you rise higher in the company. But interpersonal skills are important throughout your career, at every level of management.

AACSB: Analytic

Blooms: Understand
Learning Objective: 01-05 Define the skills you need to be an effective manager.
Level of Difficulty: 2 Medium
Topic: Management Levels and Skills

46. As managers rise through an organization, they will probably rely less on their technical skills.

TRUE

Technical skills are most important early in your career. Conceptual and decision skills become more important than technical skills as you rise higher in the company. But interpersonal skills are important throughout your career, at every level of management.

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-05 Define the skills you need to be an effective manager.
Level of Difficulty: 2 Medium
Topic: Management Levels and Skills

47. Interpersonal skills are most important early in your career, whereas technical skills become more necessary as you rise higher in the company.

FALSE

Technical skills are most important early in your career. Conceptual and decision skills become more important than technical skills as you rise higher in the company. But interpersonal skills are important throughout your career, at every level of management.

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-05 Define the skills you need to be an effective manager.
Level of Difficulty: 2 Medium
Topic: Management Levels and Skills

48. Being a manager is more like being the conductor of an orchestra than playing an instrument in it.

TRUE

At the beginning of your career, your contribution to your employer depends on your own performance; that's all you're responsible for. But on becoming a manager, you are responsible for a whole group. To use an orchestra analogy, instead of playing an instrument, you're a conductor, coordinating others' efforts.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Level of Difficulty: 2 Medium

Topic: You and Your Career

49. Emotional intelligence involves the skills of understanding yourself, managing yourself, and dealing effectively with others.

TRUE

Businesspeople often talk about emotional intelligence, or "EQ", the skills of understanding yourself (including strengths and limitations), managing yourself (dealing with emotions, making good decisions, seeking and using feedback, and exercising self-control), and dealing effectively with others (listening, showing empathy, motivating, leading, and so on).

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Level of Difficulty: 1 Easy

Topic: You and Your Career

50. In today's work environment, one should focus solely on becoming a specialist because jobs are becoming so specialized.

FALSE

It will help if you can become both a specialist and a generalist. Seek to become a specialist; you should be an expert in something. Over time, you should learn to be a generalist, knowing enough about a variety of business disciplines so that you can think strategically and work with different perspectives.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Level of Difficulty: 2 Medium

Topic: You and Your Career

51. Social capital is the goodwill stemming from your social relationships.

TRUE

Social capital is the goodwill stemming from your social relationships, and it can be mobilized on your behalf. It aids career success, compensation, employment, team effectiveness, successful entrepreneurship, and relationships with suppliers and other outsiders.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Level of Difficulty: 1 Easy

Topic: You and Your Career

52. In managing your career, it is important to know that now, more than ever, individuals will be held accountable for their actions and for results.

TRUE

Now—far more than ever—you will be accountable for your actions and for results. In the past, people at many companies could show up, do an OK job, get a decent evaluation, and get a raise equal to the cost of living and maybe higher. Today managers must do more, better.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-06 Understand the principles that will help you manage your career.
Level of Difficulty: 2 Medium
Topic: You and Your Career

Multiple Choice Questions

53. Which of the following is one of the key elements that make the current business landscape different from the past?

- A. Uniformity of offerings
- B. Collaboration across organizational boundaries**
- C. Quality
- D. Cost competitiveness
- E. Speed

Four key elements make the current business landscape different from the past: globalization, technological change, the importance of knowledge and ideas, and collaboration across organizational "boundaries."

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.
Level of Difficulty: 1 Easy
Topic: Managing in the New Competitive Landscape

54. Successful managers know that the change from a local to a global marketplace is

- A. Irrelevant to today's business environment.
- B. Irreversible.**
- C. Unchanging.
- D. Slowing.
- E. No different than it has been over the last three decades.

Companies that want to grow often need to tap international markets, where incomes are rising and demand is increasing. The change from a local to a global marketplace is gaining momentum and is irreversible.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

55. Globalization is an issue primarily for

- A. Large transnational firms.
- B. Transnational firms of any size.
- C. Small companies with local customers only.
- D. Domestic firms with overseas sales.
- E. All firms.**

Globalization affects small companies as well as large. Many small companies export their goods. Many domestic firms assemble their products in other countries. And companies are under pressure to improve their products in the face of intense competition from foreign manufacturers.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

56. Which of the following statements about the Internet is true?

- A. The Internet has reduced threats to most businesses.
- B. The Internet drives down costs.**
- C. The Internet's only impact on business is indirect because it impacts customers.
- D. The Internet has had a slowing effect on globalization.
- E. The Internet slows decision making because so much extra information is available.

The Internet is important to business because it is a marketplace, a means for manufacturing goods and services, a distribution channel, an information service, and more. It drives down costs and speeds up globalization. It improves efficiency of decision making. It facilitates design of new products, from pharmaceuticals to financial services. Managers can watch and learn what other companies are doing on the other side of the world.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

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

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

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

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 1 Easy

Topic: Managing in the New Competitive Landscape

58. Which of the following statements about collaboration is true?

- A. Collaboration occurs only within the boundaries of the organization.
- B. A sole focus on unit performance spurs collaboration.
- C. It is unrealistic to think that the company can collaborate with its customers.
- D. Disclosing your plans by collaborating with consultants and suppliers is not a good idea because they may also be working with your competitors.
- E.** Collaboration is an important process of knowledge management.

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

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

59. _____ is the introduction of new goods and services.

- A. Collaboration
- B. Invention
- C.** Innovation
- D. Adaptation
- E. Inception

Innovation is the introduction of new goods and services. Your firm must adapt to changes in consumer demands and to new competitors.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 1 Easy

Topic: Managing for Competitive Advantage

60. _____ is defined as the excellence of your product.

- A. Innovation
- B. Quality**
- C. Demand
- D. Six sigma
- E. Customization

In general, quality is the excellence of your product. The importance of quality and the standards for acceptable quality have increased dramatically in recent years.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 1 Easy

Topic: Managing for Competitive Advantage

61. Which of the following is a way to measure quality?

- A. Product performance.
- B. Conformance to standards.
- C. Reliability.
- D. Aesthetics.
- E. All of these.**

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

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 2 Medium

Topic: Managing for Competitive Advantage

62. In a competitive context, _____ means giving customers what they want or need, when they want it.

- A.** service
- B. quality
- C. innovation
- D. speed
- E. competitiveness

In a competitive context, service means giving customers what they want or need, when they want it. So service is focused on continually meeting the needs of customers to establish mutually beneficial, long-term relationships.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 1 Easy

Topic: Managing for Competitive Advantage

63. _____, or the rapid execution, response, and delivery of results, often separates the winners from the losers in the modern business environment.

- A. Service
- B. Quality
- C. Innovation
- D.** Speed
- E. Competitiveness

In the modern business environment, speed, the rapid execution, response, and delivery of results, often separates the winners from the losers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 1 Easy

Topic: Managing for Competitive Advantage

64. Cost competitiveness means that you

- A. Sacrifice quality to keep costs low.
- B. Carefully monitor costs mainly during the start-up phase of the business.
- C.** Price your product or service at a level attractive to consumers.
- D. Manage your costs by being effective.
- E. Offer a high-quality product at a higher price.

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

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 1 Easy

Topic: Managing for Competitive Advantage

65. Managing your costs and keeping them down requires being

- A. Effective.
- B. Fast.
- C. Mindful of high service requirements.
- D.** Efficient.
- E. Collaborative.

Managing your costs and keeping them down requires being efficient: accomplishing your goals by using your resources wisely and minimizing waste.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 2 Medium

Topic: Managing for Competitive Advantage

66. Sustainability is the effort to minimize the use of resources, especially those that are

- A. Foreign-produced.
- B. Subject to fluctuations in price on the open market.
- C. In high demand in developing nations.
- D. Polluting and nonrenewable.**
- E. Not important to future innovation.

Sustainability is the effort to minimize the use of resources, especially those that are polluting and nonrenewable.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 1 Easy

Topic: Managing for Competitive Advantage

67. Done properly, _____ allows people to live and work in ways that can be maintained over the long term (generations) without depleting or harming our resources.

- A. sustainability**
- B. total quality
- C. innovation
- D. collaboration
- E. cost competitiveness

Sustainability is about protecting our options. Done properly, sustainability allows people to live and work in ways that can be maintained over the long term (generations) without depleting or harming our environmental, social, and economic resources.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 2 Medium

Topic: Managing for Competitive Advantage

68. Which of the following statements about the sources of competitive advantage is true?

- A. The best companies choose one source of competitive advantage and perfect it.
- B. Managing the sources of competitive advantage is a zero-sum game where one source improves at the expense of the other.
- C.** It is possible to improve quality and also enhance speed.
- D. Outsourcing certain functions is likely to decrease innovation.
- E. The faster the product is provided, the more innovation suffers.

The best managers and companies deliver on all six sources of competitive advantage. For example, Virginia Mason Medical Center improved quality through measures that enhance speed.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 2 Medium

Topic: Managing for Competitive Advantage

69. _____ is the process of working with people and resources to accomplish organizational goals.

- A. Planning
- B.** Management
- C. Controlling
- D. Decision making
- E. Collaboration

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

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 1 Easy

Topic: The Functions of Management

70. In terms of good management, efficiency differs from effectiveness primarily in the former's focus on

- A. Customer satisfaction.
- B. Shareholder profits.
- C. Customer retention.
- D. Employee turnover.
- E. Resource use.**

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

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 1 Easy

Topic: The Functions of Management

71. The four traditional management functions, still relevant today, include

- A. Planning, leading, controlling, and organizing.**
- B. Marketing, finance, accounting, and production.
- C. Planning, operations, labor, and contracting.
- D. Hiring, training, appraising, and firing.
- E. Marketing, management, finance, and accounting.

The four traditional functions of management are planning, organizing, leading, and controlling. They remain as relevant as ever, and they still provide the fundamentals that are needed in start-ups as much as in established corporations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 1 Easy

Topic: The Functions of Management

72. The management function of _____ is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals.

- A. strategizing
- B. leading
- C. organizing
- D. planning**
- E. controlling

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 2 Medium

Topic: The Functions of Management

73. Planning involves which of the following?

- A. Analyzing current situations.**
- B. Determining rewards for goals achievement.
- C. Attracting people to the organization.
- D. Motivating employees.
- E. Implementing necessary changes.

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 2 Medium

Topic: The Functions of Management

74. The managers at Capturion Action Cameras are currently developing strategies for the company's new products and setting objectives for its business units. These managers are engaged in the management function of

- A. Organizing.
- B. Planning.**
- C. Goal coordination.
- D. Controlling.
- E. Initiating.

Planning activities include analyzing current situations, anticipating the future, determining objectives, deciding in what types of activities the company will engage, choosing corporate and business strategies, and determining resources needed to achieve goals.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 3 Hard

Topic: The Functions of Management

75. The planning function in the new business environment can also be described more dynamically as

- A. Creating conditions so that people and things work together to achieve maximum success.
- B. Delivering strategic value.**
- C. Stimulating people to be high performers.
- D. Monitoring performance and implementing needed changes.
- E. Motivating workers to do their jobs effectively.

The planning function for the new business environment is more dynamically described as delivering strategic value. Value describes the monetary amount associated with how well a job, task, good, or service meets users' needs. That value is "strategic" when it contributes to meeting the organization's goals.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

76. Building a dynamic organization is another way of describing which function of management?

- A. Planning.
- B. Organizing.**
- C. Leading.
- D. Controlling.
- E. Staffing.

The organizing function can be described as building a dynamic organization. Now and in the future, effective managers will build organizations that are flexible and adaptive, particularly in response to competitive threats and customer needs.

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.
Level of Difficulty: 2 Medium
Topic: The Functions of Management

77. The management function of _____ involves assembling and coordinating organizational resources.

- A. controlling
- B. planning
- C. organizing**
- D. optimizing
- E. quantifying

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

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.
Level of Difficulty: 1 Easy
Topic: The Functions of Management

78. Biomark Software has recently implemented new reporting relationships in its organization due to tremendous growth. Managers are determining new job responsibilities for individuals and resource allocation for its new business units. Biomark managers are performing the management function of

- A. Planning.
- B. Organizing.**
- C. Leading.
- D. Controlling.
- E. Budgeting.

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

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 3 Hard

Topic: The Functions of Management

79. Lorenzo is a general manager for Perry Mechanical Engineers. He is considering some changes to the production floor, including layout adjustments and the purchase of new equipment to improve efficiency. He also wants to promote one of his supervisors to be his assistant manager. Lorenzo is currently involved in which dimension of management?

A. Planning.
B. Controlling.
C. Leading.
D. Organizing.
E. Budgeting.

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

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 3 Hard

Topic: The Functions of Management

80. A manager's ability to stimulate people to be high performers is referred to as

A. Planning.
B. Organizing.
C. Leading.
D. Controlling.
E. Monitoring.

Leading is stimulating people to be high performers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 1 Easy

Topic: The Functions of Management

81. As one of the key management functions, leading focuses on a manager's efforts to

- A. Mobilize people to contribute their ideas.
- B. Build organizations that are flexible and adaptive.
- C. Make sure goals are met.
- D. Identify opportunities for sustainable advantage.
- E. Build a dynamic organization.

Leading is stimulating people to be high performers. Today and in the future, managers must be good at mobilizing people to contribute their ideas and to use their brains in ways never needed or dreamed of in the past.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 2 Medium

Topic: The Functions of Management

82. _____ involves monitoring performance and making necessary changes.

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

The fourth function of management, controlling, monitors performance and implements necessary changes. By controlling, managers make sure the organization's resources are being used as planned and the organization is meeting its goals such as quality and safety.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 1 Easy

Topic: The Functions of Management

83. When Bethany Hoyt, manager of First Step Telemarketing, realized that her plan to increase sales levels among associates was not producing the desired results, she took quick action to make necessary adjustments. Bethany was performing the management function of

A. Planning.
B. Organizing.
C. Leading.
D. Controlling.
E. Communicating.

The fourth function of management, controlling, monitors performance and implements necessary changes. By controlling, managers make sure the organization's resources are being used as planned and the organization is meeting its goals such as quality and safety.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 3 Hard

Topic: The Functions of Management

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

A. Planning.
B. Controlling.
C. Leading.
D. Organizing.
E. Budgeting.

The fourth function of management, controlling, monitors performance and implements necessary changes. By controlling, managers make sure the organization's resources are being used as planned and the organization is meeting its goals, including financial ones.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 3 Hard

Topic: The Functions of Management

85. The three levels of managers within large organizations are

- A. International, regional, and local.
- B. Managerial, functional, and direct.
- C. Technical, functional, and departmental.
- D. Upper-level, top management, and functional.
- E.** Top-level, middle-level, and frontline.

The types of managers found at three different organizational levels are top-level, middle-level, and frontline.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

86. Senior executives responsible for the overall management and effectiveness of the organization are called

- A. Long-term managers.
- B. Middle managers.
- C.** Strategic managers.
- D. Tactical managers.
- E. Short-run managers.

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

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

87. Top-level managers focus on

- A.** Long-term survival of an organization.
- B. Translating goals and objectives into specific activities.
- C. Managing frontline managers.
- D. Supervising nonmanagement employees.
- E. Initiating new daily activities.

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

88. _____ managers are typically concerned with the interaction between the organization and its external environment.

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

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

89. CEO, president, COO, and vice president are all titles typical of which level of management?

- A. Strategic.
- B. Tactical.
- C. Operational.
- D. Functional.
- E. Regional.

The CEO, COO, company presidents, and vice presidents are all strategic-level members of the top management team.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

90. Which type of manager has responsibility for translating the general goals and plans developed for an organization into more specific activities?

- A. Operational managers.
- B. Functional managers.
- C. Activities managers.
- D. Strategic managers.
- E. Tactical managers.

Middle-level managers are located in the organization's hierarchy below top-level management and above the frontline managers. Sometimes called tactical managers, they are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

91. Tactical managers are often referred to as

- A. Center managers.
- B. Middle-level managers.**
- C. Lower-level managers.
- D. Operational managers.
- E. Upper-middle managers.

Middle-level managers are located in the organization's hierarchy below top-level management and above the frontline managers. Sometimes called tactical managers, they are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

92. As a manager at Prescott Fine Jewelry (PFJ), Jerald Walker spends much of his time coaching new sales managers and making sure that information coming from headquarters reaches the PFJ branches so they will be successful. Jerald would best be described as a(n)

- A. Frontline manager.
- B. Tactical manager.**
- C. Operational manager.
- D. Top-level manager.
- E. Institutional controller.

Tactical managers are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities. The role of the middle manager is to be an administrative controller who bridges the gap between higher and lower levels.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

93. Lower-level managers who supervise the operational activities of the organization are called

- A.** Frontline managers.
- B. Middle managers.
- C. Top-level managers.
- D. Tactical managers.
- E. Primary managers.

Frontline managers, or operational managers, are lower-level managers who supervise the operations of the organization.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.
Level of Difficulty: 1 Easy
Topic: Management Levels and Skills

94. Managers responsible for supervising the operations of an organization are referred to as

- A. Primary managers.
- B. Functional managers.
- C. Supervisory managers.
- D.** Operational managers.
- E. Tactical managers.

Frontline managers, or operational managers, are lower-level managers who supervise the operations of the organization.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.
Level of Difficulty: 1 Easy
Topic: Management Levels and Skills

95. Operational managers play a crucial role in an organization because they provide

- A.** The link between managerial and nonmanagerial personnel.
- B. Discipline for problem managers.
- C. The key plans for an organization's success.
- D. Feedback on top management performance.
- E. Direction and strategy for the organization.

The role of operational managers is critical in the organization because they are the link between management and nonmanagement personnel.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

96. Mingjin supervises employees that work on the floor of the Superior Pet Food factory. She cooperates closely with her manager in determining ways to improve the efficiency of the manufacturing process, and then works to implements those plans. Mingjin would be considered a(n)

- A.** Frontline manager.
- B. Tactical manager.
- C. Middle-level manager.
- D. Top-level manager.
- E. Administrative controller.

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

AACSB: Analytic
Blooms: Apply

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 3 Hard

Topic: Management Levels and Skills

97. Titles such as foreman, sales manager, shift manager, or supervisor typically belong to managers at what level?

- A. Strategic.
- B. Middle.
- C. Primary.
- D.** Operational.
- E. Tactical.

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

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

98. In smaller entrepreneurial firms and even in more adaptive larger firms, managers

- A. Are no longer utilized.
- B. Rely more heavily on technical skills.
- C. Serve as "experts" on whom the entire firm depends.
- D.** Have strategic, tactical, and operational responsibilities.
- E. Focus on internal operations only.

In small firms, and in large companies that have adapted to the times, managers have strategic, tactical, and operational responsibilities. They are complete businesspeople; they have knowledge of all business functions, are accountable for results, and focus on serving customers both inside and outside their firms.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

99. Which of the following lists represents skills that managers need?

- A. Interpersonal and communication, conceptual and decision, and professional.
- B. Technical, interpersonal and communication, and conceptual and decision.**
- C. Identificational, technical, and interpersonal and communication.
- D. Conceptual and decision, professional, and technical.
- E. Professional, technical, and identificational.

Although managers need many individual skills, there are three essential categories: technical skills, interpersonal and communication skills, and conceptual and decision skills.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

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

- A. conceptual
- B. administration
- C. interpersonal
- D. communication
- E. technical**

A technical skill is the ability to perform a specialized task that involves a certain method or process. Most people develop a set of technical skills to complete the activities that are part of their daily work lives.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

101. Using a particular software program at an expert level, compilation of an accounting statement, and writing advertising copy are all examples of which type of skill?

- A.** Technical.
- B. Professional.
- C. Conceptual.
- D. Interpersonal.
- E. Quantitative.

A technical skill is the ability to perform a specialized task that involves a certain method or process. Most people develop a set of technical skills to complete the activities that are part of their daily work lives.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

102. Which of Mintzberg's roles involves searching for new business opportunities and initiating new projects to create change?

- A. Leader.
- B. Figurehead.
- C.** Entrepreneur.
- D. Resource allocator.
- E. Monitor.

According to Mintzberg, the entrepreneur role is responsible for searching for new business opportunities and initiating new projects to create change.

Refer To: Table 1.2

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

103. Which of Mintzberg's roles involves performing symbolic duties for an organization, like attending ceremonies?

- A. Disseminator.
- B. Spokesperson.
- C. Liaison.
- D.** Figurehead.
- E. Disturbance handler.

According to Mintzberg, the figurehead role is responsible for performing symbolic duties (ceremonies and serving other social and legal demands).

Refer To: Table 1.2

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

104. Which of the following roles, as defined by Mintzberg, is a decisional role?

- A. Spokesperson.
- B. Liaison.
- C. Leader.
- D.** Disturbance handler.
- E. Monitor.

According to Mintzberg, the decisional roles are entrepreneur, disturbance handler, resource allocator, and negotiator.

Refer To: Table 1.2

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

105. The vice president of Delta Design LLC attended a trade show to make additional supplier and distribution contacts for the business. Which of Mintzberg's roles was the VP playing in this situation?

- A. Leader.
- B. Liaison.**
- C. Figurehead.
- D. Spokesperson.
- E. Resource allocator.

According to Mintzberg, the liaison role is responsible for maintaining a network of outside contacts who provide information and favors.

Refer To: Table 1.2

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 3 Hard

Topic: Management Levels and Skills

106. When a customer service manager works to defuse a situation with an irate customer, which of Mintzberg's roles is he or she taking on?

- A. Liaison.
- B. Disturbance handler.**
- C. Negotiator.
- D. Resource allocator.
- E. Leader.

According to Mintzberg, the disturbance handler role involves taking corrective action during crises or other conflicts, such as dealing with an irate customer.

Refer To: Table 1.2

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 3 Hard

Topic: Management Levels and Skills

107. _____ skills influence a manager's ability to work well with people.

- A. Decisional
- B. Technical
- C. Interpersonal**
- D. Professional
- E. Conceptual

Interpersonal and communication skills influence the manager's ability to work well with people. These skills are often called people skills.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 1 Easy

Topic: Management Levels and Skills

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

- A. Technical skills.
- B. Interpersonal and communication skills.**
- C. Diagnostic and relational skills.
- D. Professional and emotional intelligence skills.
- E. Conceptual and decision skills.

Interpersonal and communication skills are people skills; they are the ability to lead, motivate, and communicate effectively with others.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 3 Hard

Topic: Management Levels and Skills

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

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

As you acquire greater responsibility, you must exercise your conceptual and decision skills with increasing frequency. You will confront issues that involve all aspects of the organization and must consider a larger and more interrelated set of decision factors.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

110. No one at Barkley Architecture liked the company's the new website, a real problem given that the firm considered itself expert in design. President Alan Virgos got the team together, solicited feedback, and found help in making improvements. The ability to identify this problem and resolve it is an effective use of _____ skills.

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

Conceptual and decision skills involve the ability to identify and resolve problems for the benefit of the organization and everyone concerned. Managers use these skills when they consider the overall objectives and strategy of the firm, the interactions among different parts of the organization, and the role of the business in its external environment.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

111. The importance of managerial skills is exemplified by which of the following statements?

- A. Obtaining high performance from people in the organization is typically easy because of the natural authority managers have over knowledge workers.
- B. Upper-level managers heavily use technical skills as they manage supervisory personnel.
- C. Supervisory-level managers have the most contact with the top-level managers.
- D. Conceptual and decision skills become less important than technical skills as a manager rises higher in the company.
- E. Interpersonal skills are important throughout a manager's career, at every level of management.

Technical skills are most important early in your career. Conceptual and decision skills become more important than technical skills as you rise higher in the company. But interpersonal skills are important throughout your career, at every level of management.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 2 Medium

Topic: Management Levels and Skills

112. The set of skills composed of understanding yourself, managing yourself, and dealing effectively with others is called

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

Emotional intelligence, or "EQ," includes the skills of understanding yourself, managing yourself (dealing with emotions, making good decisions, seeking and using feedback, and exercising self-control), and dealing effectively with others (listening, showing empathy, motivating, and leading).

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Level of Difficulty: 1 Easy
Topic: You and Your Career

113. Which of the following is a component of emotional intelligence?

- A. Making good decisions.**
- B. Dealing with power plays made by others.
- C. Understanding the shortcomings of those you work with.
- D. Advising others how to become happier at work.
- E. Helping others understand why you are correct.

Emotional intelligence, or "EQ," includes the skills of understanding yourself, managing yourself (dealing with emotions, making good decisions, seeking and using feedback, and exercising self-control), and dealing effectively with others (listening, showing empathy, motivating, and leading).

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Level of Difficulty: 1 Easy
Topic: You and Your Career

114. A common complaint about leaders, especially those who are newly appointed, is that they lack which of the following?

- A. Emotional understanding.
- B. Empathy.**
- C. The ability to receive feedback from subordinates.
- D. Decision-making skills.
- E. Self-control.

A common complaint about leaders, especially newly promoted ones who had been outstanding individual performers, is that they lack what is perhaps the most fundamental of EQ skills: empathy.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Level of Difficulty: 2 Medium

Topic: You and Your Career

115. Which of the following is a recommendation for forging a successful career?

- A. Be a specialist.
- B. Be self-reliant.
- C. Be a generalist.
- D. Actively manage your relationship with your organization.
- E. All of these.**

To forge a successful, gratifying career, you are well advised to be both a specialist and a generalist, to be self-reliant and connected, to actively manage your relationship with your organization, and to know what is required not only to survive but also to thrive in today's world.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Level of Difficulty: 2 Medium

Topic: You and Your Career

116. Being self-reliant means

- A.** Taking full responsibility for yourself, your actions, and your career.
- B. Being open-minded and responding when others have innovative ideas.
- C. Always waiting for orders from higher in the organization.
- D. Trusting that the organization will manage your career.
- E. Responding to the environment before orders come from higher in the organization.

To be self-reliant means to take full responsibility for yourself, your actions, and your career.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-06 Understand the principles that will help you manage your career.
Level of Difficulty: 2 Medium
Topic: You and Your Career

117. Goodwill stemming from social relationships is called

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

Social capital is the goodwill stemming from your social relationships, and it can be mobilized on your behalf. It aids career success, compensation, employment, team effectiveness, successful entrepreneurship, and relationships with suppliers and other outsiders.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-06 Understand the principles that will help you manage your career.
Level of Difficulty: 1 Easy
Topic: You and Your Career

118. When you view yourself as an employee and expect your employer to tell you what to do and give you pay and benefits, you are acting as a(n)

- A. Active contributor in a productive relationship.
- B. Agent for social capital.
- C. Passive employee.**
- D. Example of an emotionally intelligent employee.
- E. Connected team member.

When you view yourself as an employee and passively expect your employer to tell you what to do and give you pay and benefits, your employer is in charge, and you are a passive recipient of its actions.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Level of Difficulty: 2 Medium

Topic: You and Your Career

119. Actively managing your relationship with your organization includes managerial actions such as

- A. Delivering strategic value.
- B. Building a dynamic organization.
- C. Mobilizing people.
- D. Learning and changing.
- E. Doing any of these.**

Management actions that you can contribute include all of the choices in the question, as shown in Figure 1.2.

Refer To: Figure 1.2

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Level of Difficulty: 2 Medium

Topic: You and Your Career

Scenario A

Naturally Yours, Inc. is a new brand of organic clothing recently introduced throughout the world. The company is unique in that it has collaborated with its suppliers and largest potential customers to bring the clothing to market. The concept has been a huge success as the idea of sustainability is becoming more mainstream, especially in developed countries. The quick growth in sales has lead Naomi and Yolanda, the company founders, to look to your consulting company for help in ensuring the future success of the company.

120. Naomi and Yolanda want to maintain a strong competitive advantage in the organic clothing industry. They have consulted with you and have decided to maintain their current direction of continuing to produce new items targeted to new markets, such as children's clothing, in addition to the women's clothing items that were originally designed and produced by the company. Given the information in this scenario, which of the fundamental success drivers are they most likely using?

- A. Planning.
- B. Innovation.**
- C. Quality.
- D. Organizing.
- E. Cost competitiveness.

Innovation is the introduction of new goods and services, such as the children's clothing line the company has designed.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Level of Difficulty: 3 Hard

Topic: Managing for Competitive Advantage

121. Naomi and Yolanda have always focused on being efficient managers. What is the best advice you should give them, given the quick success they have had with Naturally Yours and the information provided in the scenario?

- A. Efficiency is the only key to their continued success.
- B. Now it is time for them to consider only effectiveness, since they clearly have efficiency under control and this is not likely to change in the future.
- C.** To continue their success they should maintain a clear focus on both effectiveness and efficiency, especially while their company is experiencing such a high growth in sales.
- D. Now would be the perfect time to buy beautiful homes for their families since they have earned it.
- E. As the top-level managers, the best action plan for them is to carefully design the new items to ensure that these items are well accepted by the target consumers.

Management is the process of working with people and resources to accomplish organizational goals. Good managers (like Naomi and Yolanda) do those things both effectively and efficiently.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 3 Hard

Topic: The Functions of Management

122. As the founders of the company, Naomi and Yolanda are best described as

- A. Tactical managers.
- B. Strategic managers.**
- C. Middle-managers.
- D. External managers.
- E. Internal managers.

Top-level managers are the senior executives of an organization and are responsible for its overall management. Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues and emphasize the survival, growth, and overall effectiveness of the organization.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Level of Difficulty: 3 Hard

Topic: Management Levels and Skills

123. When hiring people who are beginning their management careers and who will join Naturally Yours as entry-level supervisors to oversee the design and production of their clothing lines, Naomi and Yolanda should look primarily for which type of skills in these managers?

- A. Conceptual and decision skills.
- B. Monitoring skills.
- C. Language fluency.
- D. Technical skills.**
- E. Negotiating skills.

Technical skills include the ability to perform a specialized task involving a particular method or process. In this case Naomi and Yolanda may hire operations management or logistics specialists. The technical skills these people will have learned in school will help them to be attractive to Naomi and Yolanda for this entry-level position.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Scenario B

Suppose you are interviewing the CEO of a large company. The CEO is telling you about his/her job as a manager and how he/she spends time. Using the descriptions below, which function of management is the CEO most likely describing in each of the examples?

124. "Recently, I spent a great deal of time looking at how to define jobs and group jobs together to most efficiently utilize the employees in those jobs. Other times, my focus is more toward financial resources."

- A. Planning.
- B. Organizing.**
- C. Leading.
- D. Controlling.
- E. Decision making.

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

125. "My days are filled with opportunities to ask if we are meeting our goals, wondering if things are going as we planned, and making adjustments where needed."

- A. Planning.
- B. Organizing.
- C. Leading.
- D.** Controlling.
- E. Decision making.

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

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 3 Hard

Topic: The Functions of Management

126. "My job, for some part of each day, is to empower our employees to think of things in new and different ways, not just to come to work and complete the tasks on a list."

- A. Planning.
- B. Organizing.
- C.** Leading.
- D. Controlling.
- E. Decision making.

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

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 3 Hard

Topic: The Functions of Management

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

- A.** Planning.
- B. Organizing.
- C. Leading.
- D. Controlling.
- E. Decision making.

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

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Level of Difficulty: 3 Hard

Topic: The Functions of Management

Scenario C

As a management researcher, you are studying management behaviors and the roles that managers play. Your fieldwork takes you to Puffy Treats, a local creampuff bakery in your university's city, to "shadow" the manager for a day. Three events really caught your attention. First, at an early meeting with the Puffy Treats employees, the manager notified the employees of a pending layoff. This news was met with a great deal of anxiety on the part of the employees even though the manager was as kind as she could be when delivering the news. One employee reacted very angrily and became so disruptive that the manager had to call the local police to have her escorted out of the shop. Later in the day, the manager made a call to a supplier to find out if anything "new and interesting" was going on in the bakery industry. Finally, after work, the manager left to attend an employee's wedding.

128. When the manager notified the employees of the pending layoff, which of the roles described by Mintzberg was the manager of Puffy Treats performing?

- A. Leader.
- B. Liaison.
- C. Disseminator.
- D.** Spokesperson.
- E. Disturbance handler.

A spokesperson speaks on behalf of the organization about plans, policies, actions (such as the pending layoff), and results.

Refer To: Table 1.2

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 3 Hard

Topic: Management Levels and Skills

129. When the manager dealt with the angry employee, which of the roles described by Mintzberg was the manager of Puffy Treats performing?

- A. Monitor.
- B. Negotiator.
- C.** Disturbance handler.
- D. Resource allocator.
- E. Liaison.

A disturbance handler is one who takes corrective action during crises or other conflicts, such as dealing with the angry employee.

Refer To: Table 1.2

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 3 Hard

Topic: Management Levels and Skills

130. When the manager attended the employee's wedding, which of the roles described by Mintzberg was the manager of Puffy Treats performing?

- A. Liaison.
- B. Figurehead.**
- C. Spokesperson.
- D. Entrepreneur.
- E. Disturbance handler.

A figurehead performs symbolic duties such as attending ceremonies and serving other social (the employee wedding) and legal demands.

Refer To: Table 1.2

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Level of Difficulty: 3 Hard

Topic: Management Levels and Skills

Essay Questions

131. What are the forces behind globalization today? What are the potential impacts on business?

Answers will vary.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Level of Difficulty: 2 Medium

Topic: Managing in the New Competitive Landscape

132. List and describe several ways organizations collaborate across boundaries.

Answers will vary.

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.
Level of Difficulty: 2 Medium
Topic: Managing in the New Competitive Landscape

133. List and explain each of the six keys to managing for competitive advantage.

Answers will vary.

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-02 Describe the sources of competitive advantage for a company.
Level of Difficulty: 2 Medium
Topic: Managing for Competitive Advantage

134. Briefly describe each of the four key management functions.

Answers will vary.

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.
Level of Difficulty: 2 Medium
Topic: The Functions of Management

135. Differentiate between the various management levels in an organization.

Answers will vary.

AACSB: Analytic

Blooms: Understand
Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.
Level of Difficulty: 2 Medium
Topic: Management Levels and Skills

136. At which level of management will you find conceptual and decision skills most utilized? Why?

Answers will vary.

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-05 Define the skills you need to be an effective manager.
Level of Difficulty: 2 Medium
Topic: Management Levels and Skills

137. What should you do to forge a successful, gratifying career? Briefly explain each of the four dimensions that should be considered.

Answers will vary.

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-06 Understand the principles that will help you manage your career.
Level of Difficulty: 2 Medium
Topic: You and Your Career