

Fundamentals of Management, 11e (Robbins)

Chapter 1 Managers and Management in Today's Workplace

1) Which one of the following is a common myth about the study of management?

- A) Management is just common sense.
- B) Managers need to be well disciplined in all of the business areas.
- C) Managers are found in all types of organizations, large and small.
- D) Many of today's managers are minorities.

Answer: A

Explanation: Students might be surprised to know that the *academic* study of management is filled with insights, based on extensive research, which often run counter to what seems to be common sense. That's why we decided to tackle head-on this common-sense perception by opening each chapter with a particular "management myth" and then "debunking" this myth by explaining how it *is* just a common-sense myth.

Diff: 2

AACSB: Analytical thinking

LO: 1.1: Tell who managers are and where they work.

Question Category: Analytical

2) An organization is _____.

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

Answer: C

Explanation: By definition, an organization is a deliberate arrangement of people brought together to accomplish some specific purpose or goal.

Diff: 2

AACSB: Reflective thinking

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

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

Answer: D

Explanation: An organization's goals define its purpose and reason for existing. For example, Mark Zuckerberg, CEO of Facebook, facing increased public scrutiny over things his company was doing and not doing in relation to protecting its community of users and the global community at large, stated that his company's goal was to fix those important issues and to get back to its original purpose—providing meaningful interactions between family and friends. Rules can help an organization achieve its goals, but rules do not explicitly define those goals. Organizational structure defines and limits how people within an organization interact, but structure on its own is not something that serves to define an organization's purpose.

Diff: 2

AACSB: Reflective thinking

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

4) One of the common characteristics of all organizations is _____ define(s) and limits the behavior of its members.

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

Answer: C

Explanation: An organization is *structured* in some way that defines and limits the behavior of its members. Within that structure, rules, regulations, and policies might guide what people can or cannot do; some members will supervise other members; work teams might be formed or disbanded; or job descriptions might be created or changed so organizational members know what they're supposed to do.

Diff: 2

AACSB: Reflective thinking

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

5) A college Spanish club is an example of an organization because it is comprised of people who _____.

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

Answer: C

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

Diff: 2

AACSB: Analytical thinking

LO: 1.1: Tell who managers are and where they work.

Question Category: Application

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

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

Answer: C

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

Diff: 1

AACSB: Reflective thinking

LO: 1.1: Tell who managers are and where they work.

Question Category: Analytical

- 7) The primary job of a manager is to _____.
A) make decisions that help an organization grow
B) tackle tasks that are too difficult for nonmanagerial employees
C) coordinate between organization leaders and ordinary employees
D) direct and oversee the work of others

Answer: D

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

Diff: 1

AACSB: Reflective thinking

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

Answer: B

Explanation: The primary job of a manager is to oversee work of others. However, this does not preclude a manager from performing tasks on his or her own that do not involve supervision of others. For example, an insurance claims supervisor might process claims in addition to coordinating the work activities of other claims employees. Tasks performed by managers are not necessarily high level and may involve interaction with nonmanagerial workers, so neither of these choices is correct.

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

- 9) *Supervisor* is another name for which one of the following?
A) team leader
B) middle manager
C) first-line manager
D) top manager

Answer: C

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

Managers higher in the chain of command do less *supervising* than first-line managers so they are less likely to be called a *supervisor*.

Diff: 1

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

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

Answer: B

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

Diff: 1

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

11) Which one of the following is an important job responsibility for a middle manager?

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

Answer: B

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

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

Answer: D

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

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

Answer: A

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

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

Answer: D

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

Diff: 1

LO: 1.1: Tell who managers are and where they work.

Question Category: Application

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

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

Answer: D

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

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

Answer: D

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

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

Answer: C

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

Diff: 3

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

Answer: TRUE

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

Answer: TRUE

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

Answer: TRUE

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

Answer: FALSE

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

Diff: 2

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

Answer: TRUE

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

Diff: 1

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

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

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

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

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

Diff: 2

AACSB: Analytical thinking

LO: 1.1: Tell who managers are and where they work.

Question Category: Concept

The Perfect Manager (Scenario)

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

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

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

Answer: B

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

Diff: 2

AACSB: Application of knowledge

LO: 1.2: Define management.

Question Category: Application

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

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

Answer: D

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

Diff: 2

AACSB: Application of knowledge

LO: 1.2: Define management.

Question Category: Application

28) Another term for efficiency is _____.

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

Answer: B

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

Diff: 2

LO: 1.2: Define management.

Question Category: Concept

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

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

Answer: A

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

Diff: 3

AACSB: Analytical thinking

LO: 1.2: Define management.

Question Category: Application

30) Another term for effectiveness is _____.

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

Answer: A

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

Diff: 2

LO: 1.2: Define management.

Question Category: Concept

31) Effectiveness is synonymous with _____.

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

Answer: C

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

Diff: 2

LO: 1.2: Define management.

Question Category: Concept

32) Efficiency refers to _____.

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

Answer: A

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

Diff: 2

LO: 1.2: Define management.

Question Category: Concept

33) Good management strives for _____.

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

Answer: C

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

Diff: 2

LO: 1.2: Define management.

Question Category: Concept

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

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

Answer: B

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

Diff: 3

AACSB: Analytical thinking

LO: 1.2: Define management.

Question Category: Application

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

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

Answer: B

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

Diff: 3

AACSB: Analytical thinking

LO: 1.2: Define management.

Question Category: Application

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

Answer: FALSE

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

Diff: 2

LO: 1.2: Define management.

Question Category: Concept

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

Answer: FALSE

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

Diff: 2

LO: 1.2: Define management.

Question Category: Concept

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

Answer: TRUE

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

Diff: 2

LO: 1.2: Define management.

Question Category: Concept

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

Answer: FALSE

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

Diff: 3

LO: 1.2: Define management.

Question Category: Concept

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

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

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

Diff: 2

AACSB: Analytical thinking

LO: 1.2: Define management.

Question Category: Concept

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

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

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

Diff: 2

AACSB: Analytical thinking

LO: 1.2: Define management.

Question Category: Application

The Perfect Manager (Scenario)

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

42) Brenda's ability to determine what needs to be done and by whom is evidence that she excels at which management function?

A) planning

B) controlling

C) leading

D) organizing

Answer: D

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

Joe, the Manager (Scenario)

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

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

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

Answer: C

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: D

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: C

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

Diff: 1

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: C

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

48) Organizing includes _____.

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

Answer: D

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: D

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: A

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: C

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: B

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

Diff: 3

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

53) Mintzberg developed his 10 managerial roles by _____.

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

Answer: C

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: A

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: C

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: B

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: A

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

58) The current research on managerial skill points to four general management skills. Which of the following is NOT one of the four skills?

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

Answer: D

Explanation: The current research by Katz and others point out four management skills which include, conceptual skills, interpersonal skills, technical skills and political skills.

Diff: 1

LO: 1.3: Describe what managers do.

Question Category: Concept

59) The four managerial functions first described by Fayol are considered the "best" because _____.

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

Answer: B

Explanation: Fayol's functions are considered to be the "best" because of their usefulness and popularity. Most texts and authorities on managerial matters use the four functions because they are simple, elegant, and powerful in insight.

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: A

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: A

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: A

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

Diff: 2

AACSB: Reflective thinking

LO: 1.3: Describe what managers do.

Question Category: Concept

63) The managerial role that changes the most between middle and top managers is _____.

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

Answer: A

Explanation: According to Exhibit 1-6, as managers move up in the organization, they do more planning and less direct overseeing of others.

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: C

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

Diff: 2

AACSB: Reflective thinking

LO: 1.3: Describe what managers do.

Question Category: Concept

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

- A) has more formal managers than a large business
- B) has about 200 employees
- C) is not a "player" with impact within its industry
- D) has a relatively small market share of its product

Answer: A

Explanation: A small business as defined has 500 or fewer employees, a small impact on its industry, and a fairly small market share of its product. However, the structure and formality that characterize a manager's job in a large organization tend to give way to informality in small firms.

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

- A) Non-profit managers are evaluated on financial performance only.
- B) Non-profit managers try to give the illusion that they care about the "bottom line."
- C) Not-for-profit organizations need to make money to continue operating.
- D) Non-profit organizations have an obligation to turn a profit.

Answer: C

Explanation: Not-for-profit organizations still need money if they are to operate and though performance is never evaluated solely on finances, budgetary health is often critically important in helping the organization achieve its goals. Being concerned about the "bottom line" is never an illusion to these organizations.

Diff: 2

AACSB: Reflective thinking

LO: 1.3: Describe what managers do.

Question Category: Concept

69) Which one of the following is NOT considered an interpersonal skill for a manager as suggested by Katz?

- A) communicating
- B) mentoring
- C) delegating
- D) decisiveness

Answer: D

Explanation: Interpersonal skills include working well with other people both individually and in groups by communicating, motivating, mentoring, and delegating. Decisiveness is classified as another important managerial competency.

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: C

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

Diff: 1

AACSB: Reflective thinking

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

73) Which one of the following would political skills be most likely to help a manager accomplish?

- A) increasing communication
- B) mentoring
- C) defining goals
- D) building a power base

Answer: D

Explanation: Political skills help managers in building a power base and establishing the right connections so they can get needed resources for their groups.

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

74) Almost all managerial tasks involve _____.

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

Answer: A

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: D

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

Diff: 1

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: A

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

Diff: 2

AACSB: Interpersonal relations and teamwork

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: C

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

79) Technical skills might include _____.

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

Answer: B

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

80) Which level of management would be more concerned with designing the overall structure of an organization?

- A) middle management
- B) supervisory management
- C) top management
- D) first line management

Answer: C

Explanation: Top managers are concerned with designing the overall organization's structure, whereas middle and lower-level managers focus on designing the jobs of individuals and work groups.

Diff: 2

AACSB: Reflective thinking

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: D

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

Diff: 2

AACSB: Reflective thinking

LO: 1.3: Describe what managers do.

Question Category: Application

Joe, the Manager (Scenario)

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

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

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

Answer: A

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: B

Explanation: Leading involves motivating employees and getting them to the point where they take "ownership" of their task and are internally driven to do a good job. Since Joe is appealing to these impulses, he is demonstrating leadership. Leading is the only function that specifically involves motivating workers, so it is the only choice that fits for this question. Motivation is not a critical component of controlling, planning, or organizing.

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

The Busy Day (Scenario)

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

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

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

Answer: C

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: D

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

Diff: 3

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: A

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

Diff: 3

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: D

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

Diff: 3

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: C

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

The General Manager (Scenario)

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

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

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

Answer: D

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

Diff: 3

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: B

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: A

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: B

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

Diff: 3

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: C

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

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

Answer: A

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

Application of Skills (Scenario)

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

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

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

Answer: C

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

Diff: 2

AACSB: Application of knowledge

LO: 1.3: Describe what managers do.

Question Category: Application

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

Answer: FALSE

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

Diff: 1

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 1

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 1

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 1

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 3

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: TRUE

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: TRUE

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

Diff: 2

AACSB: Reflective thinking

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: TRUE

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 2

AACSB: Reflective thinking

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: TRUE

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 3

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: FALSE

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: TRUE

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

Diff: 2

LO: 1.3: Describe what managers do.

Question Category: Concept

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

Answer: TRUE

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

Diff: 1

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

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

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

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

Diff: 2

AACSB: Analytical thinking

LO: 1.3: Describe what managers do.

Question Category: Concept

115) In a short essay, describe the four main types of managerial skills identified by Robert Katz.

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

Diff: 3

AACSB: Analytical thinking

LO: 1.3: Describe what managers do.

Question Category: Concept

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

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

Answer: A

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

Diff: 2

LO: 1.4: Explain why it's important to study management.

Question Category: Concept

117) Who stands to benefit least from studying management?

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

Answer: B

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

Diff: 3

AACSB: Reflective thinking

LO: 1.4: Explain why it's important to study management.

Question Category: Application

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

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

Answer: B

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

Diff: 2

AACSB: Reflective thinking

LO: 1.4: Explain why it's important to study management.

Question Category: Analytical

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

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

Answer: A

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

Diff: 2

LO: 1.4: Explain why it's important to study management.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

LO: 1.4: Explain why it's important to study management.

Question Category: Concept

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

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

Answer: D

Explanation: Well-managed companies, barring catastrophic and undeserved misfortune, should never need to depend on government bailouts or bankruptcy to survive—let alone prosper.

Raising prices is also not a wise strategy for braving hard economic times, as more expensive products could serve to decrease rather than increase revenue. The best strategy for surviving adversity is having a loyal customer base. Although revenues may decrease, having faithful customers can usually get a company through a downturn.

Diff: 2

LO: 1.4: Explain why it's important to study management.

Question Category: Concept

122) Which one of the following is a difficult ethical challenge to new managers in today's business climate?

- A) not being able to hire new employees
- B) having to fire employees who are not productive
- C) not receiving training in the transition to management
- D) increasing the amount that employees pay for health care

Answer: C

Explanation: In the breakout box, "A Question of Ethics," 58% of new managers indicated that they received no training to make the transition to manager.

Diff: 2

LO: 1.4: Explain why it's important to study management.

Question Category: Concept

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

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

Answer: A

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

Diff: 2

LO: 1.4: Explain why it's important to study management.

Question Category: Concept

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

Answer: FALSE

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

Diff: 2

LO: 1.4: Explain why it's important to study management.

Question Category: Concept

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

Answer: TRUE

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

Diff: 1

LO: 1.4: Explain why it's important to study management.

Question Category: Concept

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

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

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

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

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

Diff: 3

AACSB: Reflective thinking

LO: 1.4: Explain why it's important to study management.

Question Category: Concept

127) A common factor that all managers face in today's world is the _____.

- A) changing nature of work
- B) lagging development of technology
- C) demand to move to a production based economy
- D) boredom of employees

Answer: A

Explanation: In today's world, managers are dealing with changing workplaces, a changing workforce, global economic and political uncertainties, and changing technology.

Diff: 3

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Concept

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

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

Answer: D

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

Diff: 2

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Concept

130) The CEO of Cisco Systems likes to _____.

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

Answer: C

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

Diff: 2

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Concept

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

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

Answer: C

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

Diff: 2

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Analytical

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

- A) Innovation keeps employees on their toes.
- B) Innovation gives companies a "fresh" image without changing much real substance.
- C) New approaches are always superior to old approaches.
- D) Innovation efforts are needed in all types of organizations.

Answer: D

Explanation: Innovation means doing things differently, exploring new territory, and taking risks. And innovation isn't just for high-tech or other technologically sophisticated organizations; innovative efforts are needed in all types of organizations.

Diff: 2

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Concept

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

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

Answer: D

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

Diff: 2

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Concept

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

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

Answer: B

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

Diff: 2

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Concept

135) Management avoid the topic of social media.

Answer: FALSE

Explanation: Managers today need a better understanding of social media in order to provide better guidelines for using them and because it is an important way to attract and interact with customers.

Diff: 2

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Concept

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

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

Diff: 3

AACSB: Reflective thinking

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Analytical

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

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

Diff: 3

AACSB: Reflective thinking

LO: 1.5: Describe the factors that are reshaping and redefining management.

Question Category: Concept

138) Indira, a first-line supervisor, was just informed of a quality problem on one of her production lines. She has inspected the product and reviewed the data regarding its manufacture. Her next step is to determine what should be done to correct the problem. Indira is using which one of the following employability skills?

- A) critical thinking
- B) communication
- C) collaboration
- D) social responsibility

Answer: A

Explanation: Critical thinking involves purposeful and goal-directed thinking used to define and solve problems and to make decisions or form judgments related to a particular situation or set of circumstances. Indira is using less of the communication skills, and since she is making the decision by herself, she is not using collaboration skills. Social responsibility involves skills related to business ethics and corporate social responsibility, which are not indicated in this scenario.

Diff: 2

AACSB: Application of knowledge

LO: 1.6: Describe the key employability skills gained from studying management that are applicable to your future career, regardless of your major.

Question Category: Application

139) Carmine has been selected to serve on a problem-solving team to address a complaint lodged by his employer's major customer. As a team member, he will investigate the situation and report to his teammates then together the team will develop possible solutions. Which one of the employability skills is Carmine using most?

- A) communication
- B) critical thinking
- C) collaboration
- D) social responsibility

Answer: C

Explanation: Because Carmine is primarily working with others on a task, he is using collaboration skills to a greater degree than the others. Communication skills are also used as part of the collaboration along with critical thinking, but they are all a part of the collaboration. Social responsibility was not introduced in this scenario.

Diff: 2

AACSB: Application of knowledge

LO: 1.6: Describe the key employability skills gained from studying management that are applicable to your future career, regardless of your major.

Question Category: Application