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Chapter 01

Managing Effectively in a Global World

**True / False Questions**

1. The best managers prioritize efficiency over effectiveness.

True False

2. To be efficient is to achieve organizational goals, and to be effective is to achieve goals with minimal waste of resources.

True False

3. In today's highly competitive business environment, the planning function can also be described as delivering strategic value.

True False

4. The four core functions of management include analyzing current situation, determining objectives, choosing corporate and business strategies, and determining the resources needed to achieve the organization's goals.

True False

5. Organizing is assembling and coordinating the resources needed to achieve goals.

True False

6. Leading involves creating an organization chart by identifying business functions, establishing reporting relationships, and having a personnel department that administered plans, programs, and paperwork.

True False

7. Controlling helps monitor performance and implement necessary changes.

True False

8. To become an effective manager, one should choose one or two of the four management functions and devote to them completely.

True False

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

True False

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

True False

11. A team leader's job is less challenging than frontline and other types of managers' jobs because team leaders always have direct control over team members.

True False

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

True False

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

True False

14. Lower-level managers who possess technical skills tend to earn less credibility from their subordinates than comparable managers without technical know-how.

True False

15. One of the skill sets of emotional intelligence, understanding oneself, includes knowing one's strengths and limitations as a manager.

True False

16. Emotional intelligence involves the skills of understanding oneself, managing oneself, and working effectively with others.

True False

17. The five key elements that make the current business environment different from those of the past include globalization, technological change, the importance of knowledge and ideas, collaboration across organizational boundaries, and increasingly diverse labor force.

True False

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

True False

19. Technology both complicates things and creates new opportunities.

True False

20. Using technology is limited to a matter of learning new skills.

True False

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

True False

22. As the success of modern businesses so often depends on the knowledge used for innovation and the delivery of services, organizations need to manage that knowledge.

True False

23. Collaboration can occur between but not within organizations.

True False

24. Creating outstanding products and services can start with involving customers in company decisions.

True False

25. The most important innovation is always the product itself and not the way it is delivered.

True False

26. The fundamental success drivers for an organization are product delivery time and risk aversion.

True False

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

True False

28. A firm must adapt to changes in consumer demand and to new competitors as products do not sell forever.

True False

29. Innovation should not be treated as a strategic goal in organizations as it does not come from people.

True False

30. Quality is the excellence of one's product, and this includes goods and services.

True False

31. Total quality includes preventing defects before they occur.

True False

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

True False

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

True False

34. Corporate speed often separates the winners from the losers in business.

True False

35. Cost competitiveness means pricing a firm's products lower than all competitors' products.

True False

### Multiple Choice Questions

36. Which of the following best describes management?

- A. The method of executing, responding, and delivering results in a fast and timely manner
- B. The process of working with people and resources to accomplish organizational goals
- C. The technique of keeping costs low enough so the company can realize profits and price its products at levels that are attractive to consumers
- D. The introduction of new goods and services
- E. The method of creating goodwill through social relationships

37. Planning involves which of the following?

- A. Analyzing current situations
- B. Monitoring performance
- C. Attracting people to the organization
- D. Motivating employees
- E. Implementing necessary changes

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

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

39. Synthesis Inc. periodically reviews the goals of the company. During the process, the managers of the company analyze their current strategies as compared to their competitors' strategies, determine goals that they will pursue, and decide upon specific actions for each area of the company to take in pursuit of these goals. With these actions, the managers are engaged in the management function of:

- A. organizing.
- B. planning.
- C. goal coordination.
- D. controlling.
- E. leading.

40. Archer Inc. recently embarked on an effort to increase coordination and cooperation within the company. During the process, the managers of the organization reviewed and specified job responsibilities, grouped jobs into work units, and reallocated resources within the company. The managers were exercising the management function of:

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

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

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

42. Building a dynamic organization is the goal of which function of management?

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

43. What will be the result when managers use new forms of organizing?

- A. They will build organizations that are flexible and adaptive.
- B. They will create an organization chart by identifying business functions.
- C. They will specify the goals to be achieved and decide in advance the appropriate actions needed to achieve those goals.
- D. They will establish a top-down approach where top executives establish business plans and tell others to implement them.
- E. They will monitor performance and make necessary changes in a timely manner.

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

- A. mobilize people to contribute their ideas.
- B. build organizations that are flexible and adaptive.
- C. make sure goals are met.
- D. identify opportunities for sustainable advantage.
- E. build a dynamic organization.

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

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

46. When Alex, the marketing manager of Hartwell Inc., realized that his plan to increase sales levels was not producing the results he desired, he took quick action to make necessary adjustments. According to this scenario, Alex was exercising the management function of:

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

47. \_\_\_\_\_ involves monitoring performance and making necessary changes.

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

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

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

49. The key management functions include:

- A. planning, organizing, leading, and controlling.
- B. marketing, finance, accounting, and production.
- C. planning, operations, labor, and contracting.
- D. hiring, training, appraising, and firing.
- E. marketing, management, finance, and accounting.



50. Senior executives responsible for the overall management and effectiveness of an organization are called:

- A. long-term managers.
- B. middle managers.
- C. strategic managers.
- D. tactical managers.
- E. short-run managers.

51. The four levels of managers found in large organizations are:

- A. international, national, regional, and local.
- B. marketing, accounting, human resource, and finance.
- C. technical, functional, departmental, and organizational.
- D. planning, coordinating, controlling, and executing.
- E. top-level, middle-level, frontline, and team leader.

52. Top-level managers focus on:

- A. the long-term survival of an organization.
- B. translating goals and objectives into specific activities.
- C. managing frontline managers.
- D. supervising nonmanagement employees.
- E. initiating new daily activities.

53. \_\_\_\_\_ managers are typically concerned with the interaction between an organization and its external environment.

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

54. CEO, President, COO, and Vice President are all titles typical of which level of management?

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

55. Which type of manager is responsible for translating the general goals and plans developed for an organization into more specific activities?
- A. Operational managers
  - B. Functional managers
  - C. Activities managers
  - D. Strategic managers
  - E. Tactical managers
56. Middle-level managers are often referred to as:
- A. activities managers.
  - B. tactical managers.
  - C. functional managers.
  - D. operational managers.
  - E. strategic managers.
57. As a manager at Carrel Corp., Derek spends much of his time coaching young managers and making sure that any required information reaches all the branches for them to be successful. Derek would best be described as a(n):
- A. frontline manager.
  - B. tactical manager.
  - C. operational manager.
  - D. top-level manager.
  - E. institutional controller.
58. Lower-level managers who supervise the operational activities of an organization are called:
- A. frontline managers.
  - B. general managers.
  - C. team managers.
  - D. tactical managers.
  - E. strategic managers.

59. Managers responsible for supervising the operations of an organization are referred to as:
- A. strategic managers.
  - B. functional managers.
  - C. supervisory managers.
  - D. operational managers.
  - E. tactical managers.
60. Operational managers play a crucial role in an organization because they:
- A. provide the link between management and nonmanagement personnel.
  - B. are responsible for translating the general goals developed by strategic managers into more specific objectives and activities.
  - C. are responsible for facilitating successful team performance.
  - D. give feedback on the performance of the top management.
  - E. contribute direction and strategy to the organization.
61. One of Harry's primary activities in his career as a supervisor at Thomson Bird Food Inc. is working with his middle-manager, Ben, to introduce new growth opportunities in the business (such as expanding into exotic bird foods) and help the people who actually manufacture the food. Harry is most likely a(n):
- A. frontline manager.
  - B. tactical manager.
  - C. strategic manager.
  - D. top-level manager.
  - E. administrative controller.
62. Titles such as foreman, sales manager, shift manager, or supervisor typically belong to managers at what level?
- A. Strategic
  - B. Middle
  - C. Top
  - D. Operational
  - E. Tactical

63. In smaller entrepreneurial firms and even in more adaptive larger firms, managers:
- A. are no longer utilized.
  - B. rely more heavily on technical skills.
  - C. focus primarily on hierarchy.
  - D. have strategic, tactical, and operational responsibilities.
  - E. focus on internal operations only.
64. Identify the manager's role that involves searching for new business opportunities and initiating new projects to create change.
- A. Leader
  - B. Figurehead
  - C. Entrepreneur
  - D. Resource allocator
  - E. Monitor
65. Which of the following manager's roles involves communicating on behalf of the organization?
- A. Disseminator
  - B. Spokesperson
  - C. Liaison
  - D. Figurehead
  - E. Disturbance handler
66. Which of the following managerial roles is a decisional role?
- A. Spokesperson
  - B. Liaison
  - C. Leader
  - D. Negotiator
  - E. Monitor
67. The president of Sigma Corp. attended the inauguration of a customer's new office complex. Which of the following manager's roles was the president playing in this situation?
- A. Leader
  - B. Liaison
  - C. Figurehead
  - D. Spokesperson
  - E. Resource allocator

68. When a customer service manager works to defuse a situation with an irate customer, which managerial role is he or she taking on?

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

69. Pharrell, a project manager, determines the number of employees to be assigned for a certain project. Identify the managerial role being implemented by Pharrell.

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

70. Which of the following managerial roles involves maintaining a network of outside contacts and alliances that provide information and favors?

- A. Spokesperson
- B. Liaison
- C. Leader
- D. Negotiator
- E. Monitor

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

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

72. Which of the following represent skills that are crucial to managers?
- A. Selling and public relations, conceptual and decision, and professional
  - B. Technical, interpersonal and communication, and conceptual and decision
  - C. Professional, technical, and selling and public relations
  - D. Conceptual and decision, professional, and technical
  - E. Professional, technical, and conceptual and decision
73. Using a particular software program at an expert level, compilation of an accounting statement, and writing advertising copy are all examples of which type of skill?

- A. Technical
- B. Public relations
- C. Communicative
- D. Interpersonal
- E. Quantitative

74. Managers will utilize \_\_\_\_\_ skills with increasing frequency as they rise within an organization.

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

75. The senior managers at Argonia Studios Inc. recognized a lack of employee enthusiasm about the new website. In fact there was a fair amount of infighting and accusations of who was responsible for the layout, given that the firm is considered to be highly competent in design and production. Karen, a manager, got the team together and engaged them in a lively discussion to determine how to change the website so that it reflected more of Argonia's unique design ability. As the meeting wound down, each team member volunteered to take on a part of the project to fix the site. The ability to identify this problem and resolve it is an effective use of \_\_\_\_\_ skills.

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

76. \_\_\_\_\_ skills influence a manager's ability to work well with people.

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

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

- A. technical skills.
- B. interpersonal and communication skills.
- C. diagnostic skills.
- D. professional skills.
- E. conceptual skills.

78. Which of the following statements exemplifies the importance of managerial skills?

- A. Obtaining high performance from people in the organization is easy because of the authority managers will continue to have over knowledge workers.
- B. Technical skills are most important after becoming a top-level manager.
- C. The importance of managerial skills is consistent across all managerial levels.
- D. Conceptual and decision skills become less important than technical skills as a manager rises higher in the company.
- E. Interpersonal skills are important throughout a manager's career, at every level of management.

79. The set of skills composed of understanding oneself, managing oneself, and dealing effectively with others is called:

- A. self reliance.
- B. social capital.
- C. emotional intelligence.
- D. career management.
- E. social management.

80. Which of the following is a component of emotional intelligence?
- A. An individual making good decisions
  - B. An individual dealing with power plays made by others
  - C. An individual understanding the shortcomings of those people he or she works with
  - D. An individual advising others how to stay happy at work
  - E. An individual helping others understand that he or she is correct
81. Identify the right skill set of emotional intelligence.
- A. Encouraging coercion among employees
  - B. Showing empathy
  - C. Advising others how to stay happy at work
  - D. Maintaining the status quo
  - E. Avoiding constructive criticism
82. Which of the following examples illustrates a manager with emotional intelligence?
- A. Amanda can maintain the status quo.
  - B. Christina can identify her team members' strengths and weaknesses.
  - C. Nina can exercise self-control.
  - D. Vivian has the ability to manage his followers' reactions.
  - E. Sally has the ability to ignore constructive criticism.
83. Which of the following is one of the key elements that makes the current business landscape different from those of the past?
- A. Centralization
  - B. Technological change
  - C. Quality
  - D. Cost competitiveness
  - E. Speed
84. Which of the following statements is true of globalization?
- A. It fails to involve smaller firms.
  - B. It encourages the maintenance of the status quo.
  - C. It does not create threats to anybody.
  - D. It does not allow employees to provide services although most economies have become very efficient at producing physical goods.
  - E. It represents that a company's talent can come from anywhere.



85. Which of the following statements about the Internet is true?
- A. The Internet always makes things easier.
  - B. The Internet is a virtual marketplace and speeds up globalization.
  - C. The Internet's impact is felt only at the level of businesses as a whole and not by individual employees.
  - D. The Internet does not create threats as competitors capitalize on new developments.
  - E. The Internet compels people to respond to e-mail messages immediately.
86. Goodwill stemming from social relationships is called:
- A. social empathy.
  - B. social capital.
  - C. emotional intelligence.
  - D. emotional capital.
  - E. empathetic goodwill.
87. \_\_\_\_\_ is the set of practices aimed at discovering and harnessing an organization's intellectual resources-fully utilizing the intellects of the organization's people.
- A. Knowledge management
  - B. Collaboration
  - C. Innovation
  - D. Service management
  - E. Communication management
88. Which of the following statements about collaboration is true?
- A. Collaboration occurs only within the boundaries of an organization.
  - B. It is unrealistic to think that a company can collaborate with its customers.
  - C. Disclosing one's plans by collaborating with the potential investors of a firm is not a good idea.
  - D. Collaboration is an important process of knowledge management.
  - E. Collaborating with people outside an organization is impossible because of the risk of disclosing trade secrets.

89. \_\_\_\_\_ is the introduction of new goods and services.

- A. Collaboration
- B. Standardization
- C. Innovation
- D. Adaptation
- E. Saturation

90. \_\_\_\_\_ is the excellence of your product.

- A. Innovation
- B. Quality
- C. Quantity
- D. Centralization
- E. Customization

91. Which of the following refers to service?

- A. The speed and dependability with which an organization delivers what customers want
- B. The technique of keeping costs low to achieve profits and to be able to offer prices that are attractive to consumers
- C. The practice aimed at discovering and harnessing an organization's intellectual resources
- D. The technique of establishing goodwill through social relationships
- E. The skill of understanding oneself, managing oneself, and dealing effectively with others

92. Which of the following statements is true of quality?

- A. It can be measured in terms of product performance, customer service, and reliability.
- B. It cannot be improved continuously.
- C. It refers to keeping costs low enough so the company can realize profits and price its products at levels that are attractive to consumers.
- D. It refers to goodwill stemming from one's social relationships.
- E. It is described as rapid execution, response, and delivery of results.

93. \_\_\_\_\_-rapid execution, response, and delivery of results-often separates the winners from the losers.

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

94. Cost competitiveness means that one:

- A. sacrifices quality to keep costs low.
- B. carefully monitors costs mainly during the setting up of business.
- C. prices his or her products or services at a level attractive to consumers.
- D. manages his or her costs by maintaining the status quo.
- E. offers a high quality product at a higher price.

95. Managing one's costs and keeping them down requires being:

- A. repetitive.
- B. fast.
- C. risk-averse.
- D. efficient.
- E. collaborative.

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

- A. The best managers and companies deliver all five competitive advantages.
- B. Managing the sources of competitive advantage is a zero-sum game where one source improves at the expense of the other.
- C. It is possible to compete without cutting costs and offering attractive prices.
- D. Outsourcing certain functions is likely to decrease innovation.
- E. The faster the product is provided the more innovation suffers.

## Essay Questions

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

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

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

100. How is knowledge management significant to organizations? Explain.

101. List and describe several ways how collaboration boosts performance of organizations..

102. List and explain each of the five sources of competitive advantage.

103. Explain how quality can improve continuously in an organization. Explain the several objectives of achieving total quality.

### Multiple Choice Questions

Assume that you are interviewing the CEO of a large company. The CEO is telling you about Scenario A. his or her job as a manager and his or her daily routine. Using the descriptions below, which function of management is the CEO most likely describing in each of the examples?

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

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

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

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

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

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

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

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

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

- Scenario B.
108. When the manager notifies the employees of the pending layoff, which of the managerial roles is the manager of Partridge performing?
- A. Leader
  - B. Liaison
  - C. Disseminator
  - D. Spokesperson
  - E. Disturbance handler
109. When the manager deals with the angry employee, which of the managerial roles is the manager of Partridge performing?
- A. Monitor
  - B. Negotiator
  - C. Disturbance handler
  - D. Resource allocator
  - E. Liaison
110. When the manager attends the employee's wedding, which of the managerial roles is the manager of Partridge performing?
- A. Liaison
  - B. Figurehead
  - C. Spokesperson
  - D. Entrepreneur
  - E. Disturbance handler

Scenario C.

Venus Inc. is a new brand of organic clothing recently introduced throughout the world. The company is unique in that it has collaborated with its suppliers and potential customers to bring the clothing to market. The concept has been a huge success as the idea of sustainability is becoming very popular especially in developed countries. The quick growth in sales has led Melissa and Joanna, the company's founders, to look to your consulting company for help in assuring the future success of the company.

111. Melissa and Joanna have always focused on being efficient managers. What is the best advice you should give them, given the quick success they have had with Venus and the information provided in the scenario?

- A. Efficiency is the only key to their continued success.
- B. Now it is time for them to consider only effectiveness, since they clearly have efficiency under control and this is not likely to change in the future.
- C. To continue their success, they should maintain a clear focus on both effectiveness and efficiency, especially while their company is experiencing such a high growth in sales.
- D. They should maintain the status quo without implementing any changes in order to continue making quick sales.
- E. As top-level managers, the best action plan for them is to carefully design the new items to assure these items are well accepted by the target consumers.

112. As the founders of the company, Melissa and Joanna are best described as:

- A. tactical managers.
- B. strategic managers.
- C. middle-managers.
- D. external managers.
- E. internal managers.

113. When hiring people who are beginning their management career and who will join Venus as entry-level supervisors to oversee the design and production of their clothing lines, Melissa and Joanna should look primarily for which type of skills in these managers?

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



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

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

## Chapter 01 Managing Effectively in a Global World **Answer Key**

### True / False Questions

1. The best managers prioritize efficiency over effectiveness.

**FALSE**

The best managers maintain a clear focus on both effectiveness and efficiency.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

2. To be efficient is to achieve organizational goals, and to be effective is to achieve goals with minimal waste of resources.

**FALSE**

Management is the process of working with people and resources to accomplish organizational goals. Good managers do t

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

3. In today's highly competitive business environment, the planning function can also be described as delivering strategic value.

**TRUE**

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

4. The four core functions of management include analyzing current situation, determining objectives, choosing corporate and business strategies, and determining the resources needed to achieve the organization's goals.

**FALSE**

The core management functions include planning, organizing, leading, and controlling.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

5. Organizing is assembling and coordinating the resources needed to achieve goals.

**TRUE**

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

6. Leading involves creating an organization chart by identifying business functions, establishing reporting relationships, and having a personnel department that administered plans, programs, and paperwork.

**FALSE**

Leading is stimulating people to be high performers. It includes motivating and communicating with employees, individually and as a group.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

7. Controlling helps monitor performance and implement necessary changes.

**TRUE**

Controlling is about monitoring performance and making necessary changes in a timely manner. By controlling, managers r

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

8. To become an effective manager, one should choose one or two of the four management functions and devote to them completely.

**FALSE**

Managers should devote adequate attention and resources to all four functions. One can be a skilled planner and controller

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

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

**FALSE**

Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues and emphasize the

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

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

**TRUE**

Frontline managers, or operational managers, are lower-level managers who execute the operations of an organization. Th

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

11. A team leader's job is less challenging than frontline and other types of managers' jobs because team leaders always have direct control over team members.

**FALSE**

In some ways, a team leader's job can be more challenging than frontline and other types of managers' jobs because team

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

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

**FALSE**

Interpersonal skills are important throughout one's career, at every level of management.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

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

**TRUE**

Technical skills are most important early in one's career. Conceptual and decision skills become more important than technical skills as managers rise through an organization.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

14. Lower-level managers who possess technical skills tend to earn less credibility from their subordinates than comparable managers without technical know-how.

**FALSE**

Lower-level managers who possess technical skills earn more credibility from their subordinates than comparable managers without technical know-how.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

15. One of the skill sets of emotional intelligence, understanding oneself, includes knowing one's strengths and limitations as a manager.

**TRUE**

Good, successful managers often demonstrate a set of interpersonal skills known collectively as emotional intelligence (or EQ).

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

16. Emotional intelligence involves the skills of understanding oneself, managing oneself, and working effectively with others.

**TRUE**

Emotional intelligence includes the skills of understanding oneself (including strengths and limitations), managing oneself (c

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

17. The five key elements that make the current business environment different from those of the past include globalization, technological change, the importance of knowledge and ideas, collaboration across organizational boundaries, and increasingly diverse labor force.

**TRUE**

Management is a challenge requiring constant adaptation to new circumstances. The five key elements that make the current

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

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

**TRUE**

Social capital is the goodwill stemming from your social relationships.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

19. Technology both complicates things and creates new opportunities.

**TRUE**

The Internet's impact on globalization is only one of the ways that technology is vitally important in the ever-changing business world.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

20. Using technology is limited to a matter of learning new skills.

**FALSE**

Using technology effectively is more than a matter of learning new skills; it also involves making judgments about when and how to use technology.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

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

**FALSE**

Knowledge management is the set of practices aimed at discovering and harnessing an organization's intellectual resources.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*



22. As the success of modern businesses so often depends on the knowledge used for innovation and the delivery of services, organizations need to manage that knowledge.

**TRUE**

As the success of modern businesses so often depends on the knowledge used for innovation and the delivery of services,

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

23. Collaboration can occur between but not within organizations.

**FALSE**

One of the most important processes of knowledge management is to ensure that people in different parts of the organization

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

24. Creating outstanding products and services can start with involving customers in company decisions.

**TRUE**

Customers can be collaborators. Creating outstanding products and services can start with involving customers in company

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

25. The most important innovation is always the product itself and not the way it is delivered.

**FALSE**

Sometimes the most important innovation isn't the product itself but the way it is delivered.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

26. The fundamental success drivers for an organization are product delivery time and risk aversion.

**FALSE**

To succeed, managers must deliver the fundamental success drivers: innovation, quality, service, speed, and cost competition.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

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

**TRUE**

Innovation is the introduction of new goods and services. One's firm must adapt to changes in consumer demand and to new technologies.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

28. A firm must adapt to changes in consumer demand and to new competitors as products do not sell forever.

**TRUE**

A firm must adapt to changes in consumer demand and to new competitors. Products don't sell forever; in fact, they don't sell forever.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

29. Innovation should not be treated as a strategic goal in organizations as it does not come from people.

**FALSE**

Innovation comes from people like the other sources of competitive advantage. It must be a strategic goal, and it must be managed properly.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: The Four Functions of Management*

30. Quality is the excellence of one's product, and this includes goods and services.

**TRUE**

Quality is the excellence of one's product, and this includes goods and services.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

31. Total quality includes preventing defects before they occur.

**TRUE**

Total quality includes preventing defects before they occur, achieving zero defects in manufacturing, and designing product

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

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

**TRUE**

Quality is the excellence of one's product or service. The importance of quality and the standards for acceptable quality hav

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

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

**TRUE**

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

34. Corporate speed often separates the winners from the losers in business.

**TRUE**

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

35. Cost competitiveness means pricing a firm's products lower than all competitors' products.

**FALSE**

Cost competitiveness means keeping costs low enough so the company can realize profits and price its products (goods or

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

## Multiple Choice Questions

36. Which of the following best describes management?

- A. The method of executing, responding, and delivering results in a fast and timely manner
- B. The process of working with people and resources to accomplish organizational goals**
- C. The technique of keeping costs low enough so the company can realize profits and price its products at levels that are attractive to consumers
- D. The introduction of new goods and services
- E. The method of creating goodwill through social relationships

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

37. Planning involves which of the following?

- A.** Analyzing current situations
- B. Monitoring performance
- C. Attracting people to the organization
- D. Motivating employees
- E. Implementing necessary changes

Planning activities include analyzing current situations, anticipating the future, determining objectives, dec

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

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

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

Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed t

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

39. Synthesis Inc. periodically reviews the goals of the company. During the process, the managers of the company analyze their current strategies as compared to their competitors' strategies, determine goals that they will pursue, and decide upon specific actions for each area of the company to take in pursuit of these goals. With these actions, the managers are engaged in the management function of:
- A. organizing.
  - B. planning.**
  - C. goal coordination.
  - D. controlling.
  - E. leading.

Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve the organization's goals. In this case, the managers of Synthesis Inc. are engaged in planning as they analyze

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

40. Archer Inc. recently embarked on an effort to increase coordination and cooperation within the company. During the process, the managers of the organization reviewed and specified job responsibilities, grouped jobs into work units, and reallocated resources within the company. The managers were exercising the management function of:
- A. planning.
  - B. organizing.**
  - C. leading.
  - D. controlling.
  - E. budgeting.

Organizing is assembling and coordinating the human, financial, physical, informational, and other resources

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

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

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

Organizing is assembling and coordinating the human, financial, physical, informational, and other resour

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

42. Building a dynamic organization is the goal of which function of management?

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

The organizing function's goal is to build a dynamic organization.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*



43. What will be the result when managers use new forms of organizing?

- A. They will build organizations that are flexible and adaptive.
- B. They will create an organization chart by identifying business functions.
- C. They will specify the goals to be achieved and decide in advance the appropriate actions needed to achieve those goals.
- D. They will establish a top-down approach where top executives establish business plans and tell others to implement them.
- E. They will monitor performance and make necessary changes in a timely manner.

Now and in the future, effective managers will be using new forms of organizing and viewing their people

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

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

- A. mobilize people to contribute their ideas.
- B. build organizations that are flexible and adaptive.
- C. make sure goals are met.
- D. identify opportunities for sustainable advantage.
- E. build a dynamic organization.

Leading is stimulating people to be high performers. Today and in the future, managers must be good at

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

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

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

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

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.*

*Topic: The Four Functions of Management*

46. When Alex, the marketing manager of Hartwell Inc., realized that his plan to increase sales levels was not producing the results he desired, he took quick action to make necessary adjustments. According to this scenario, Alex was exercising the management function of:

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

Controlling is about monitoring performance and implementing necessary changes as Alex did when he realized his plan was not producing the results he desired.

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-01 Describe the four functions of management.*

*Topic: The Four Functions of Management*

47. \_\_\_\_\_ involves monitoring performance and making necessary changes.

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

Controlling is about monitoring performance and making necessary changes in a timely manner.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

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

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

Controlling is about monitoring performance and implementing necessary changes in a timely manner. By

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

49. The key management functions include:

- A.** planning, organizing, leading, and controlling.
- B. marketing, finance, accounting, and production.
- C. planning, operations, labor, and contracting.
- D. hiring, training, appraising, and firing.
- E. marketing, management, finance, and accounting.

The key management functions include planning, organizing, leading, and controlling.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

50. Senior executives responsible for the overall management and effectiveness of an organization are called:

- A. long-term managers.
- B. middle managers.
- C.** strategic managers.
- D. tactical managers.
- E. short-run managers.

Top-level managers, often referred to as strategic managers, focus on the survival, growth, and overall ef

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

51. The four levels of managers found in large organizations are:

- A. international, national, regional, and local.
- B. marketing, accounting, human resource, and finance.
- C. technical, functional, departmental, and organizational.
- D. planning, coordinating, controlling, and executing.
- E.** top-level, middle-level, frontline, and team leader.

The types of managers found at four different organizational levels include: top-level manager, middle-level

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

52. Top-level managers focus on:

- A.** the long-term survival of an organization.
- B. translating goals and objectives into specific activities.
- C. managing frontline managers.
- D. supervising nonmanagement employees.
- E. initiating new daily activities.

Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

53. \_\_\_\_\_ managers are typically concerned with the interaction between an organization and its external environment.

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

Top managers are concerned not only with an organization as a whole but also with the interaction between

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

54. CEO, President, COO, and Vice President are all titles typical of which level of management?

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

55. Which type of manager is responsible for translating the general goals and plans developed for an organization into more specific activities?

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

Middle-level managers are sometimes called tactical managers. They are responsible for translating the g

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

56. Middle-level managers are often referred to as:

- A. activities managers.
- B. tactical managers.**
- C. functional managers.
- D. operational managers.
- E. strategic managers.

Middle-level managers are located in an organization's hierarchy below top-level management and above

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

57. As a manager at Carrel Corp., Derek spends much of his time coaching young managers and making sure that any required information reaches all the branches for them to be successful. Derek would best be described as a(n):

- A. frontline manager.
- B. tactical manager.**
- C. operational manager.
- D. top-level manager.
- E. institutional controller.

Tactical managers are responsible for translating the general goals and plans developed by strategic man

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.*

*Topic: Four Different Levels of Managers*

58. Lower-level managers who supervise the operational activities of an organization are called:

- A. frontline managers.**
- B. general managers.
- C. team managers.
- D. tactical managers.
- E. strategic managers.

Frontline managers, or operational managers, are lower-level managers who execute the operations of a

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.*

*Topic: Four Different Levels of Managers*



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

- A. strategic managers.
- B. functional managers.
- C. supervisory managers.
- D. operational managers.**
- E. tactical managers.

Frontline managers, or operational managers, are lower-level managers who execute the operations of a

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.*

*Topic: Four Different Levels of Managers*

60. Operational managers play a crucial role in an organization because they:

- A. provide the link between management and nonmanagement personnel.**
- B. are responsible for translating the general goals developed by strategic managers into more specific objectives and activities.
- C. are responsible for facilitating successful team performance.
- D. give feedback on the performance of the top management.
- E. contribute direction and strategy to the organization.

Frontline managers, or operational managers, are directly involved with nonmanagement employees, imp

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.*

*Topic: Four Different Levels of Managers*

61. One of Harry's primary activities in his career as a supervisor at Thomson Bird Food Inc. is working with his middle-manager, Ben, to introduce new growth opportunities in the business (such as expanding into exotic bird foods) and help the people who actually manufacture the food. Harry is most likely a(n):
- A.** frontline manager.
  - B. tactical manager.
  - C. strategic manager.
  - D. top-level manager.
  - E. administrative controller.

Frontline managers are lower-level managers who supervise the operations of the organization. They are

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation*

*Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

62. Titles such as foreman, sales manager, shift manager, or supervisor typically belong to managers at what level?
- A. Strategic
  - B. Middle
  - C. Top
  - D.** Operational
  - E. Tactical

Frontline or operational managers often have titles such as supervisor or sales manager and are lower-le

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation*

*Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

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

- A. are no longer utilized.
- B. rely more heavily on technical skills.
- C. focus primarily on hierarchy.
- D.** have strategic, tactical, and operational responsibilities.
- E. focus on internal operations only.

In small firms-and in those large companies that have adapted to the times-managers have strategic, tact

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.*

*Topic: Four Different Levels of Managers*

64. Identify the manager's role that involves searching for new business opportunities and initiating new projects to create change.

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

A manager's decisional role includes being an entrepreneur. It involves searching for new business oppor

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.*

*Topic: Four Different Levels of Managers*

65. Which of the following manager's roles involves communicating on behalf of the organization?

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

A manager's informational role includes being a spokesperson. It involves communicating on behalf of the

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Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

66. Which of the following managerial roles is a decisional role?

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

A manager's decisional role includes being a negotiator. It involves engaging in negotiations with parties i

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Blooms: Remember  
Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

67. The president of Sigma Corp. attended the inauguration of a customer's new office complex. Which of the following manager's roles was the president playing in this situation?

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

A figurehead role is an interpersonal role, which involves performing symbolic duties on behalf of the orga

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Difficulty: 3 Hard*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

68. When a customer service manager works to defuse a situation with an irate customer, which managerial role is he or she taking on?

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

The disturbance handler role involves taking corrective action during crises or other conflicts such as deal

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Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

69. Pharrell, a project manager, determines the number of employees to be assigned for a certain project. Identify the managerial role being implemented by Pharrell.

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

The role of a resource allocator involves providing funding and other resources to units or people; it includ

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Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

70. Which of the following managerial roles involves maintaining a network of outside contacts and alliances that provide information and favors?

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

The role of a liaison involves maintaining a network of outside contacts and alliances that provide informa

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Difficulty: 1 Easy*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

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

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

A technical skill is the ability to perform a specialized task involving a particular method or process.

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Difficulty: 1 Easy*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

72. Which of the following represent skills that are crucial to managers?

- A. Selling and public relations, conceptual and decision, and professional
- B. Technical, interpersonal and communication, and conceptual and decision**
- C. Professional, technical, and selling and public relations
- D. Conceptual and decision, professional, and technical
- E. Professional, technical, and conceptual and decision

The three crucial managerial skills include technical skills, interpersonal and communication skills, and co

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Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

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

- A.** Technical
- B. Public relations
- C. Communicative
- D. Interpersonal
- E. Quantitative

A technical skill is the ability to perform a specialized task that involves a certain method or process such

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Difficulty: 1 Easy*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

74. Managers will utilize \_\_\_\_\_ skills with increasing frequency as they rise within an organization.

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

As managers acquire greater responsibility, they must exercise their conceptual and decision skills with in

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Difficulty: 1 Easy*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*



75. The senior managers at Argonia Studios Inc. recognized a lack of employee enthusiasm about the new website. In fact there was a fair amount of infighting and accusations of who was responsible for the layout, given that the firm is considered to be highly competent in design and production. Karen, a manager, got the team together and engaged them in a lively discussion to determine how to change the website so that it reflected more of Argonia's unique design ability. As the meeting wound down, each team member volunteered to take on a part of the project to fix the site. The ability to identify this problem and resolve it is an effective use of \_\_\_\_\_ skills.

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

As managers acquire greater responsibility, they must exercise their conceptual and decision skills with in

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*Difficulty: 3 Hard*  
*Learning Objective: 01-03 Define the skills needed to be an effective manager.*  
*Topic: Managers Need Three Broad Skills*

76. \_\_\_\_\_ skills influence a manager's ability to work well with people.

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

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

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*Learning Objective: 01-03 Define the skills needed to be an effective manager.*  
*Topic: Managers Need Three Broad Skills*

77. Listening to employee suggestions, gaining support for organizational objectives, and fostering an atmosphere of teamwork are all considered:
- A. technical skills.
  - B. interpersonal and communication skills.**
  - C. diagnostic skills.
  - D. professional skills.
  - E. conceptual skills.

Interpersonal and communication skills are people skills; they are the ability to lead, motivate, and commu

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Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

78. Which of the following statements exemplifies the importance of managerial skills?
- A. Obtaining high performance from people in the organization is easy because of the authority managers will continue to have over knowledge workers.
  - B. Technical skills are most important after becoming a top-level manager.
  - C. The importance of managerial skills is consistent across all managerial levels.
  - D. Conceptual and decision skills become less important than technical skills as a manager rises higher in the company.
  - E. Interpersonal skills are important throughout a manager's career, at every level of management.**

Interpersonal skills are important throughout a manager's career, at every level of management.

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Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

79. The set of skills composed of understanding oneself, managing oneself, and dealing effectively with others is called:

- A. self reliance.
- B. social capital.
- C. emotional intelligence.**
- D. career management.
- E. social management.

Good, successful managers often demonstrate a set of interpersonal skills known collectively as emotion

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Difficulty: 1 Easy*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

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

- A. An individual making good decisions**
- B. An individual dealing with power plays made by others
- C. An individual understanding the shortcomings of those people he or she works with
- D. An individual advising others how to stay happy at work
- E. An individual helping others understand that he or she is correct

Emotional intelligence includes the skills of understanding oneself (including strengths and limitations), m

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Difficulty: 2 Medium*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

81. Identify the right skill set of emotional intelligence.

- A. Encouraging coercion among employees
- B. Showing empathy**
- C. Advising others how to stay happy at work
- D. Maintaining the status quo
- E. Avoiding constructive criticism

One of the skill sets of emotional intelligence involves working effectively with others, listening, showing e

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Difficulty: 1 Easy*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

82. Which of the following examples illustrates a manager with emotional intelligence?

- A. Amanda can maintain the status quo.
- B. Christina can identify her team members' strengths and weaknesses.
- C. Nina can exercise self-control.**
- D. Vivian has the ability to manage his followers' reactions.
- E. Sally has the ability to ignore constructive criticism.

One of the skill sets of emotional intelligence includes managing oneself-dealing with emotions, making g

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Difficulty: 2 Medium*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

83. Which of the following is one of the key elements that makes the current business landscape different from those of the past?

- A. Centralization
- B. Technological change**
- C. Quality
- D. Cost competitiveness
- E. Speed

The five key elements that make the current business landscape different from those of the past include g

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Difficulty: 1 Easy*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

84. Which of the following statements is true of globalization?

- A. It fails to involve smaller firms.
- B. It encourages the maintenance of the status quo.
- C. It does not create threats to anybody.
- D. It does not allow employees to provide services although most economies have become very efficient at producing physical goods.
- E. It represents that a company's talent can come from anywhere.**

Globalization means that a company's talent can come from anywhere.

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Difficulty: 2 Medium*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

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

- A. The Internet always makes things easier.
- B.** The Internet is a virtual marketplace and speeds up globalization.
- C. The Internet's impact is felt only at the level of businesses as a whole and not by individual employees.
- D. The Internet does not create threats as competitors capitalize on new developments.
- E. The Internet compels people to respond to e-mail messages immediately.

The Internet fulfills many business functions. It is a virtual marketplace, a means to sell goods and service

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Difficulty: 2 Medium  
Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

86. Goodwill stemming from social relationships is called:

- A. social empathy.
- B.** social capital.
- C. emotional intelligence.
- D. emotional capital.
- E. empathetic goodwill.

Goodwill stemming from social relationships is called social capital.

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Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

87. \_\_\_\_\_ is the set of practices aimed at discovering and harnessing an organization's intellectual resources-fully utilizing the intellects of the organization's people.

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

Knowledge management is the set of practices aimed at discovering and harnessing an organization's int

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Difficulty: 1 Easy*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

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

- A. Collaboration occurs only within the boundaries of an organization.
- B. It is unrealistic to think that a company can collaborate with its customers.
- C. Disclosing one's plans by collaborating with the potential investors of a firm is not a good idea.
- D.** Collaboration is an important process of knowledge management.
- E. Collaborating with people outside an organization is impossible because of the risk of disclosing trade secrets.

One of the most important processes of knowledge management is to ensure that people in different part

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Difficulty: 2 Medium*

*Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

89. \_\_\_\_\_ is the introduction of new goods and services.

- A. Collaboration
- B. Standardization
- C. Innovation**
- D. Adaptation
- E. Saturation

Innovation is the introduction of new goods and services. One's firm must adapt to changes in consumer

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Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

90. \_\_\_\_\_ is the excellence of your product.

- A. Innovation
- B. Quality**
- C. Quantity
- D. Centralization
- E. Customization

In general, quality is the excellence of your product or service.

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Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*



91. Which of the following refers to service?

- A. The speed and dependability with which an organization delivers what customers want
- B. The technique of keeping costs low to achieve profits and to be able to offer prices that are attractive to consumers
- C. The practice aimed at discovering and harnessing an organization's intellectual resources
- D. The technique of establishing goodwill through social relationships
- E. The skill of understanding oneself, managing oneself, and dealing effectively with others

Service refers to the speed and dependability with which an organization delivers what customers want.

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Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

92. Which of the following statements is true of quality?

- A. It can be measured in terms of product performance, customer service, and reliability.
- B. It cannot be improved continuously.
- C. It refers to keeping costs low enough so the company can realize profits and price its products at levels that are attractive to consumers.
- D. It refers to goodwill stemming from one's social relationships.
- E. It is described as rapid execution, response, and delivery of results.

Quality can be measured in terms of product performance, customer service, reliability (avoidance of failu

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Difficulty: 2 Medium*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

93. \_\_\_\_\_-rapid execution, response, and delivery of results-often separates the winners from the losers.

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

In the modern business environment, speed-rapid execution, response, and delivery of results-often sepa

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Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

94. Cost competitiveness means that one:

- A. sacrifices quality to keep costs low.
- B. carefully monitors costs mainly during the setting up of business.
- C. prices his or her products or services at a level attractive to consumers.**
- D. manages his or her costs by maintaining the status quo.
- E. offers a high quality product at a higher price.

Cost competitiveness means keeping costs low enough so that the company can realize profits and price

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Difficulty: 2 Medium*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

95. Managing one's costs and keeping them down requires being:

- A. repetitive.
- B. fast.
- C. risk-averse.
- D. efficient.**
- E. collaborative.

Managing one's costs and keeping them down requires being efficient: accomplishing goals by using reso

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Difficulty: 1 Easy*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

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

- A. The best managers and companies deliver all five competitive advantages.**
- B. Managing the sources of competitive advantage is a zero-sum game where one source improves at the expense of the other.
- C. It is possible to compete without cutting costs and offering attractive prices.
- D. Outsourcing certain functions is likely to decrease innovation.
- E. The faster the product is provided the more innovation suffers.

The best managers and companies deliver on all five sources of competitive advantage. Essay Questions

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*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

## Essay Questions

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

The four core functions of management are planning, organizing, leading, and controlling. Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals. Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals. Leading is stimulating people to be high performers. It includes motivating and communicating with employees, individually and in groups. Controlling is about monitoring performance and making necessary changes in a timely manner. By controlling, managers make sure the organization's resources are being used as planned and the organization is meeting its goals for quality and safety.

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Difficulty: 2 Medium*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

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

Top-level managers are the organization's senior executives and are responsible for its overall management. Middle-level managers are located in the organization's hierarchy below top-level management and above the frontline managers and team leaders. Frontline managers, or operational managers, are lower-level managers who execute the operations of the organization. A relatively new type of manager, known as a team leader, engages in a variety of behaviors to achieve team effectiveness.

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Difficulty: 2 Medium*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

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

Conceptual and decision skills involve the ability to identify and resolve problems for the benefit of the organization and everyone concerned. Managers use these skills when they consider the overall objectives and strategy of the firm, the interactions among different parts of the organization, and the role of the business in its external environment. Conceptual and decision skills become very important as one rises higher in the company and occupies positions in the middle and top manager ranks.

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Accessibility: Keyboard Navigation*

*Blooms: Understand  
Difficulty: 2 Medium  
Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

100. How is knowledge management significant to organizations? Explain.

Knowledge management is the set of practices aimed at discovering and harnessing an organization's intellectual resources-fully utilizing the intellects of the organization's people. Knowledge management is about finding, unlocking, sharing, and capitalizing on the most precious resources of an organization: people's expertise, skills, wisdom, and relationships. Companies and managers need new, innovative ideas. Because companies in advanced economies have become so efficient at producing physical goods, most workers have been freed up to provide services like training, entertainment, research, and advertising. These workers, whose primary contributions are ideas and problem-solving expertise, are often referred to as knowledge workers. As the success of modern businesses so often depends on the knowledge used for innovation and the delivery of services, organizations need to manage that knowledge.

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Difficulty: 2 Medium  
Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

101. List and describe several ways how collaboration boosts performance of organizations..

One of the most important processes of knowledge management is to ensure that people in different parts of the organization collaborate effectively. This requires communication among departments, divisions, or other subunits of the organization. Collaboration also occurs beyond the boundaries of the organization itself. Companies today must motivate and capitalize on the ideas of people outside the organization. Customers, too, can be collaborators. Creating outstanding products and services can start with involving customers in company decisions.

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Blooms: Remember  
Difficulty: 1 Easy  
Learning Objective: 01-04 Summarize the major challenges facing managers today.  
Topic: Major Challenges Facing Managers*

102. List and explain each of the five sources of competitive advantage.

The five sources of competitive advantage include: innovation, quality, service, speed, and cost competitiveness. Innovation is the introduction of new goods and services. A firm must adapt to changes in consumer demand and to new competitors. Quality is the excellence of one's product or service. Quality can be measured in terms of product performance, customer service, reliability (avoidance of failure or breakdowns), conformance to standards, durability, and aesthetics. In a competitive context, service means giving customers what they want or need, when and where they want it. So service is focused on continually meeting the changing needs of customers to establish mutually beneficial long-term relationships.

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Blooms: Understand  
Difficulty: 2 Medium*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

103. Explain how quality can improve continuously in an organization. Explain the several objectives of achieving total quality.

Quality is the excellence of your product or service. W. Edwards Deming, J. M. Juran, and other quality g quality-related problems, and live a philosophy of continuous improvement in the way the company opera

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*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.  
Topic: Sources of Competitive Advantage*

## Multiple Choice Questions

- Scenario A. Assume that you are interviewing the CEO of a large company. The CEO is
104. "Every six months or so, my senior management team and I meet to discuss the goals that will be achieved over the next year, three years, and beyond. We then make sure we are clear on who will take responsibility to see that appropriate actions are undertaken to achieve our goals within the time frame we set."

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

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

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*Difficulty: 3 Hard*

*Learning Objective: 01-01 Describe the four functions of management.*  
*Topic: The Four Functions of Management*

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

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

Organizing is assembling and coordinating the human, financial, physical, informational, and other resources

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*Blooms: Apply*  
*Difficulty: 3 Hard*

*Learning Objective: 01-01 Describe the four functions of management.*  
*Topic: The Four Functions of Management*

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

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

Controlling monitors performance and implements necessary changes. By controlling, managers make su

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Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

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

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

Leading is stimulating people to be high performers. It includes motivating and communicating with emplo

*AACSB: Reflective Thinking  
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Blooms: Apply  
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*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*



Scenario B.

As a management researcher, you are studying management behaviors at Partridge, the manager notified the employees of a pending layoff. This manager escorted out of the shop. Later in the day, the manager made a call to a supplier.

108. When the manager notifies the employees of the pending layoff, which of the managerial roles is the manager of Partridge performing?
- A. Leader
  - B. Liaison
  - C. Disseminator
  - D. Spokesperson**
  - E. Disturbance handler

A spokesperson speaks on behalf of the organization about plans, policies, actions (such as the pending

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Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

109. When the manager deals with the angry employee, which of the managerial roles is the manager of Partridge performing?
- A. Monitor
  - B. Negotiator
  - C. Disturbance handler**
  - D. Resource allocator
  - E. Liaison

A disturbance handler is one who takes corrective action during crises or other conflicts, such as dealing

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Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

110. When the manager attends the employee's wedding, which of the managerial roles is the manager of Partridge performing?

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

A figurehead performs symbolic duties on behalf of the organization, like greeting important visitors and a

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

Scenario C.

111. Melissa and Joanna have always focused on being efficient managers. What is the best advice you should give them, given the quick success they have had with Venus and the information provided in the scenario?

- A. Efficiency is the only key to their continued success.
- B. Now it is time for them to consider only effectiveness, since they clearly have efficiency under control and this is not likely to change in the future.
- C. To continue their success, they should maintain a clear focus on both effectiveness and efficiency, especially while their company is experiencing such a high growth in sales.**
- D. They should maintain the status quo without implementing any changes in order to continue making quick sales.
- E. As top-level managers, the best action plan for them is to carefully design the new items to assure these items are well accepted by the target consumers.

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-01 Describe the four functions of management.  
Topic: The Four Functions of Management*

112. As the founders of the company, Melissa and Joanna are best described as:

- A. tactical managers.
- B. strategic managers.**
- C. middle-managers.
- D. external managers.
- E. internal managers.

Top-level managers, often referred to as strategic managers, focus on the survival, growth, and overall ef

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-02 Understand what managers at different organizational levels do.  
Topic: Four Different Levels of Managers*

113. When hiring people who are beginning their management career and who will join Venus as entry-level supervisors to oversee the design and production of their clothing lines, Melissa and Joanna should look primarily for which type of skills in these managers?

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

Technical skills include the ability to perform a specialized task involving a particular method or process. I

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 3 Hard*

*Learning Objective: 01-03 Define the skills needed to be an effective manager.  
Topic: Managers Need Three Broad Skills*

114. Melissa and Joanna want to maintain a strong competitive advantage in the organic clothing industry. They have had meetings with you and have decided to maintain their current direction of continuing to produce new items targeted at new markets, such as children's clothing, in addition to the women's clothing items that were originally designed and produced by the company. Given the information in this scenario, which of the fundamental success drivers are they most likely using?
- A. Planning
  - B. Innovation**
  - C. Quality
  - D. Organizing
  - E. Cost competitiveness

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

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-05 Recognize how successful managers achieve competitive advantage.*

*Topic: Sources of Competitive Advantage*