**Chapter 01**

**Test Bank**

1. At times, to be efficient in management means not using resources in the most cost-effective way.

**FALSE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: Efficiency is the means of attaining the organization's goals. To be efficient means to use resources such as people, money, and raw materials wisely and cost-effectively.

2. One of the challenges of management is that problems and scenarios are seldom similar, so managers are not able to use past products and accomplishments as indicators of future success.

**FALSE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: There are many rewards, apart from those of money and status, to being a manager. One of these is that you can build a catalog of successful products or services. Every product or service you provide becomes a monument to your accomplishments.

3. The ideal state that many people seek is an emotional zone somewhere between excitement and anxiety.

**TRUE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Management*

Feedback: The ideal state that many people seek is an emotional zone somewhere between boredom and anxiety, in the view of psychologist Mihaly Csikzentmihalyi. Boredom, he says, may arise because skills and challenges are mismatched. For example, someone exercising his or her high level of skill in a job with a low level of challenge, such as licking envelopes.

4. Organizations can gain a competitive advantage simply by matching their competition in terms of cutting costs and responsiveness to employees.

**FALSE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: The first challenge of a manager is to manage for competitive advantage. This means an organization must stay ahead in four areas: (1) being responsive to customers, (2) innovation, (3) quality, and (4) efficiency.

5. Innovation in business is defined as seeking ways to deliver less costly goods but in similar ways, maintaining employee morale.

**FALSE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Finding ways to deliver new or better goods or services is called innovation.

6. Telecommuting has been found to enhance employee satisfaction and performance.

**TRUE**

*AACSB: Technology*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Research has shown that telecommuting enhances employee performance and satisfaction.

7. Over the past 10 years, business crime has all but disappeared, thanks to technological oversight.

**FALSE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Bernard Madoff is but one of a long list of famous business scoundrels of the early 21st century.

8. George is developing a new employee schedule for his lawn care service due to the increase in business during the summer. While doing this, George is involved in organizing.

**TRUE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Organizing*

Feedback: *Organizing* is defined as arranging tasks, people, and other resources to accomplish the work.

9. Susan, a district manager for a large retail chain, is comparing the goals of her stores with recent sales. She knows that two stores are underperforming, so she plans on meeting with those managers to discuss corrective action; this process is the controlling managerial function.

**TRUE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Controlling*

Feedback: *Controlling* is defined as monitoring performance, comparing it with goals, and taking corrective action as needed.

10. Martina recently met with her manager, Omari, who spent time motivating her by showing Martina how important she is to the company's success. Martina is now excited to do her part to help the company achieve its goals. Omari was performing the management function known as leading.

**TRUE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Leading*

Feedback: *Leading* is defined as motivating, directing, and otherwise influencing people to work hard to achieve the organization's goals.

11.Tanesha works for a line of sporting goods stores. In her role, she makes strategic long-term decisions about her company's overall direction, and she creates the overall corporate goals, policies, and strategies. In light of these tasks, Tanesha must be a middle manager.

**FALSE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Top-Level Management*

Feedback: Top managers make long-term decisions about the overall direction of the organization and establish the company's objectives, policies, and strategies.

12. The vice president of human resources is a first-line manager.

**FALSE**

I*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Functional Manager*

Feedback: f your title is vice president of production, director of finance, or administrator for human resources, you are a functional manager. A functional manager is responsible for just one organizational activity.

13. Robert is a district manager who oversees several store managers in a national chain of restaurants. Robert reports directly to the vice president of stores and marketing, a member of top management. Robert is a middle manager.

**TRUE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Middle Level Management*

Feedback: Middle managers implement the policies and plans of the top managers above them and supervise and coordinate the activities of the first-line managers below them. In the for-profit world, the titles may be "division head," "plant manager," and "branch sales manager."

14. Mintzberg concluded that managers play three broad types of roles: interpersonal, analytical, and critical.

**FALSE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: From his observations and other research, Mintzberg concluded that managers play three broad types of roles or "organized sets of behavior": interpersonal, informational, and decisional.

15. Opportunity entrepreneurs are those who start their own business because they lost a job.

**FALSE**

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-07: Discuss the qualities of a successful entrepreneur.*

*Topic: Entrepreneurship*

Feedback: So-called opportunity entrepreneurs are those who start their own business out of a burning desire rather than because they lost a job.

16. Which one of the following is one way to think about management?

A. efficiency in motion

B. the science of helping people

C. the science of accomplishing things

**D.** the art of getting things done through people

E. the science of synergy

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: Management, said one pioneer of management ideas, is "the art of getting things done through people."

17. Don works diligently to accomplish the company goals in an efficient and effective manner, utilizing his employees through planning, organizing, leading, and controlling company resources. Don is

A. developing synergy.

B. delegating.

C. entrepreneuring.

**D.** managing.

E. vision planning.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: Management is defined as (1) the pursuit of organizational goals efficiently and effectively by (2) integrating the work of people through (3) planning, organizing, leading, and controlling the organization's resources.

18. At ABC Manufacturing, employees work together to achieve the company goals and purposes. ABC Manufacturing is a(n)

A. ad hoc team.

**B.** organization.

C. visionary.

D. user of stretch goals.

E. force.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Organization*

Feedback: An organization is a group of people who work together to achieve some specific purpose.

19. Tom, a restaurant general manager, carefully watches his costs by reusing some items that in the past were immediately thrown away. Tom is an example of a(n) \_\_\_\_\_ manager.

A. effective

B. diverse

C. detail

**D.** efficient

E. macro

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: Efficiency is the means of attaining the organization's goals. To be efficient means to use resources such as people, money, and raw materials wisely and cost-effectively.

20. Greg, a supervisor, is known by his managers to be sharp in his decisions and has a good track record of meeting his goals; Greg is a(n) \_\_\_\_ manager.

**A.** effective

B. diverse

C. detail

D. efficient

E. macro

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: Effectiveness regards the organization's ends or goals. To be effective means to achieve results, to make the right decisions, and to successfully carry them out so they achieve the organization's goals.

21. *Management* is defined as the pursuit of organizational goals

**A.** efficiently and effectively.

B. correctly and with synergy.

C. economically.

D. efficiently and in a detailed-oriented manner.

E. with passion and effectiveness.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: *Management* is defined as the pursuit of organizational goals efficiently and effectively.

22. The multiplier effect states that a manager's influence on the organization

**A.** has implications far beyond the results that can be achieved by one person acting alone.

B. is felt repeatedly for many days.

C. can have great and continual cost implications.

D. also results in large consequences for employees' families.

E. can result in many types of company diversity.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: In being a manager you have a multiplier effect: your influence on the organization is multiplied far beyond the results that can be achieved by just one person acting alone.

23. Being able to \_\_\_\_\_\_\_\_ is a key benefit for those who study management.

**A.** relate to their managers and deal with organizations from the outside

B. better manage money

C. relate to coworkers and deal with technology

D. sell their product

E. counsel workers on personal and family issues

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: A few of the payoffs of studying management as a discipline include understanding how to deal with organizations from the outside, understanding how to relate to your supervisors and coworkers, and understanding how to manage yourself in the workplace.

24. Becoming a manager offers

A. few rewards due to the large amount of stress.

**B.** many rewards apart from money and status.

C. an individual to be exempt from some current laws.

D. an individual to not have to stretch his or her abilities.

E. little apart from money and status.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: In addition to money and status, there are many rewards to being a manager including experiencing a sense of accomplishment, stretching your abilities and magnifying your range, and building a catalog of successful products or services.

25. \_\_\_\_\_\_\_ are two of the primary challenges facing managers today.

A. Dealing with employee issues and maintaining good records

B. Dealing with the lack of information and union problems

C. Dealing with union and financial issues

**D.** Managing for a competitive advantage and diversity

E. Dealing with ethical dilemmas and decreasing diversity

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Seven challenges face any manager. You need to manage for competitive advantage. You need to manage for diversity in race, ethnicity, gender, and so on. You need to manage for the effects of globalization and of information technology. You need to manage to maintain ethical standards, and manage for sustainability. Finally, you need to manage for the achievement of your own happiness and life goals.

26. Samuel, a marketing manager, recently attended a management workshop where he learned of Mihaly Csikzentmihalyi's view that the ideal state that many people seek is

A. between a high and low pay rate.

B. a point of little working and more relaxing.

**C.** an emotional zone somewhere between boredom and anxiety.

D. where very little work is required.

E. a high-pressure career that makes an individual stronger.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: The ideal state that many people seek is an emotional zone somewhere between boredom and anxiety, in the view of psychologist Mihaly Csikzentmihalyi. Boredom, he says, may arise because skills and challenges are mismatched: You are exercising your high level of skill in a job with a low level of challenge, such as licking envelopes. Anxiety arises when one has low levels of skill but a high level of challenge, such as suddenly being called upon to give a rousing speech to strangers.

27. ABC Manufacturing employs some of the top professionals in its field, and because of their skills and experience, ABC is highly efficient and outperforms its competitors. ABC Manufacturing has a(n) \_\_\_\_ over its competition.

A. quality mark

B. effectiveness advantage

C. synergy

D. leadership dimension

**E.** competitive advantage

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Competitive advantage is the ability of an organization to produce goods or services more effectively than competitors do, thereby outperforming them.

28. Gregson Production is keenly aware of the need to strive daily to produce goods and services more effectively than its competitors. Therefore, Gregson's management strives to \_\_\_\_ in order to achieve this standard.

A. maintain a diverse workforce

B. be responsive to employees

C. stay involved with the community

**D.** maintain quality and efficiency

E. increase its global presence

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Competitive advantage is the ability of an organization to produce goods or services more effectively than competitors do, thereby outperforming them. This means an organization must stay ahead in four areas: (1) being responsive to customers, (2) innovation, (3) quality, and (4) efficiency.

29. According to the \_\_\_\_\_\_\_, taking care of customers is essential to obtaining a competitive advantage.

A. Golden Marketing Rule

**B.** first law of business

C. Employee Rule

D. Profit-Generating Code

E. synergy focus

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: The first law of business is: take care of the customer. Without customers, whatever they're called, sooner or later there will be no organization. This is known as responsiveness to customers, an important component of competitive advantage.

30. Even for nonprofits, sooner or later there will be no organization without

A. ethical standards.

B. good laws.

C. the Employee Rule.

**D.** customers.

E. synergy focus.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Without customers—buyers, clients, consumers, shoppers, users, patrons, guests, investors, or whatever they're called—sooner or later there will be no organization.

31. The owners of a local restaurant routinely try to develop new menu items and seek better ways of helping their customers. \_\_\_\_\_\_ is the result of their efforts.

A. Synergy

B. The production objective

C. MBO

D. Efficiency

**E.** Innovation

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Finding ways to deliver new or better goods or services is called innovation. No organization, for-profit or nonprofit, can allow itself to become complacent, especially when rivals are coming up with creative ideas. "Innovate or die" is an important adage for any manager.

32. Because Ace Development Services is the only company that supplies a critical product for clients, customers of Ace are likely to

**A.** put up with poor-quality products.

B. stop producing products needing the Ace part.

C. be more profitable.

D. increase company synergy.

E. pay lower prices for the Ace parts.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: If your organization is the only one of its kind, customers may put up with products or services that are less than stellar only because they have no choice. But if another organization comes along and offers a better-quality product, you may find your company falling behind.

33. Today, companies emphasize \_\_\_\_\_ with production.

**A.** efficiency

B. increased synergy

C. diversity

D. training

E. employee happiness

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: A generation ago, organizations rewarded employees for their length of service. Today, however, the emphasis is on efficiency. Companies strive to produce goods or services as quickly as possible using as few employees (and raw materials) as possible.

34. In 2014, approximately what percentage of the U.S. population was foreign-born?

A. 32 percent

B. 21 percent

C. 8 percent

D. 50 percent

**E.** 13 percent

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: In 2014, approximately 13.3 percent of the U.S. population was foreign-born. By 2020, the number is expected to be 14.3 percent, and by 2060, 18.8 percent.

35. According to the theory that \_\_\_\_\_\_, first noted by *New York Times* columnist Thomas Friedman, globalization has leveled the competitive playing fields between industrial and emerging-market countries.

A. the world is one

B. globalism is decreasing

**C.** the world is flat

D. world economies are too narrow

E. one world government is the answer

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: American firms have been going out into the world in a major way, even as the world has been coming to us. This has led to what *New York Times* columnist Thomas Friedman has called, in his book *The World Is Flat*, a phenomenon in which globalization has leveled (made "flat") the competitive playing fields between industrial and emerging-market countries.

36. Studies show that dealing with excessive and unimportant e-mail and text messages in the workplace can lead to

A. decreased employee conflict and stress.

B. increased productivity.

C. improved morale.

D. synergy.

**E.** increased employee conflict and stress.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Studies show that employees lose valuable time and productivity, which can lead to increased conflict and stress, when dealing with excessive and unimportant e-mail volume and increasing amounts of cell-phone spam.

37. \_\_\_\_\_\_\_\_\_\_\_ is the discipline concerned with creating computer systems that simulate human reasoning and sensation.

A. Human simulation

B. Simulation production

C. IT simulation

**D.** Artificial intelligence

E. Cognitive cloning

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Artificial intelligence (AI) is the discipline concerned with creating computer systems that simulate human reasoning and sensation, as represented by robots, natural language processing, pattern recognition, and similar technologies.

38. \_\_\_\_\_\_\_\_\_ employs state-of-the-art computer software and hardware to help people work better together.

A. A strategy database

**B.** Collaborative computing

C. A knowledge base

D. A wisdom system

E. Knowledge management

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Using state-of-the-art computer software and hardware to help people work better together is known as collaborative computing. Goal setting and feedback will be conducted via Web-based software programs such as eWorkbench, which enables managers to create and track employee goals.

39. A national sales organization has implemented a set of training courses on its intranet, with a link that allows employees to find and share answers to questions that arise with customers. \_\_\_\_\_\_ is the system that allows the sharing of knowledge and information throughout an organization.

A. A strategy database

B. Knowledge implementation

C. A knowledge base

D. A wisdom system

**E.** Knowledge management

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Knowledge management is the implementing of systems and practices to increase the sharing of knowledge and information throughout an organization.

40. Shoshanna, the regional manager of a global sales organization, gives freedom to the sales representatives on the amount spent on gifts for prospective Asian and European customers. Shoshanna is managing for

A. dilemma resolution.

B. global standards.

C. international politics.

**D.** ethical standards.

E. global diversity.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: With the pressure to meet sales, production, and other targets, managers can find themselves confronting ethical dilemmas.

41. When building a new residential development or mall, a national real estate organization typically does not remove many trees, basing its decision on the belief that natural resources are limited and the company must not compromise the ability of future generations to meet its own needs. To which philosophy is the company adhering?

**A.** sustainability

B. environmental stimulation

C. natural ethics

D. enviroethics

E. green values

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Sustainability*

Feedback: *Sustainability* is defined as economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

42. Being a manager can be one of the greatest avenues to a meaningful life, particularly if the manager

A. is working in a diverse culture.

B. has a supportive family.

**C.** is working within a supportive or interesting organizational culture.

D. likes his or her job.

E. works in an organization with a strong training program.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Management*

Feedback: Being a manager can be one of the greatest avenues to a meaningful life, particularly if you are working within a supportive or interesting organizational culture.

43. What are the four principal functions of management?

A. executing, planning, organizing, and leading

B. scheduling, organizing, leading, and staffing

C. staffing, planning, motivating, and delegating

**D.** planning, organizing, leading, and controlling

E. staffing, planning, leading, and delegating

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Management*

Feedback: Managers perform what is known as the management process, also called the four management functions: planning, organizing, leading, and controlling.

44. When the manager of a local restaurant sets goals and then develops a blueprint for how to achieve them, she is

**A.** planning.

B. monitoring.

C. delegating.

D. organizing.

E. staffing.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Planning*

Feedback: *Planning* is defined as setting goals and deciding how to achieve them.

45. In February, Paula, the manager of a landscaping company, is looking at the upcoming need for more workers to handle the increased customers in spring and summer. Which of the four key management processes is she using?

A. planning

**B.** organizing

C. managing

D. leading

E. controlling

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Organizing*

Feedback: *Organizing* is defined as arranging tasks, people, and other resources to accomplish the work. Organizing includes determining the tasks to be done, by whom, and what the reporting hierarchy is to be.

46. At times, customers have an unexpected need and require certain departments, such as production, to change their schedule to meet the demands of the sales department. When Susan, the vice president of marketing, inspires the production team to put in the extra effort, she is playing a(n) \_\_\_\_ role.

A. delegation

B. implementation

**C.** leadership

D. monitoring

E. staffing

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Leading*

Feedback: *Leading* is defined as motivating, directing, and otherwise influencing people to work hard to achieve the organization's goals. The various groups involved often have different needs and wants, so an essential part of leadership is resolving conflicts.

47. The general manager of a furniture store recently gave a motivational PowerPoint presentation to his employees on the value of being courteous to each customer. The manager's behavior is an example of

**A.** leading.

B. delegating.

C. upkeep.

D. situational control.

E. planning.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Leading*

Feedback: *Leading* is defined as motivating, directing, and otherwise influencing people to work hard to achieve the organization's goals.

48. The district manager of a national fast-food restaurant watches the sales reports for each restaurant daily to compare actual sales with projected sales goals, and then takes corrective action if needed. In which part of the management process is she participating?

A. goal setting

**B.** controlling

C. organizing

D. situational planning

E. motivating

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Controlling*

Feedback: *Controlling* is defined as monitoring performance, comparing it with goals, and taking corrective action as needed.

49. Management theorist Peter Drucker compared the workplace of the future to

A. the Great Depression.

B. past political leaders.

C. apples and oranges.

D. outmoded marketing concepts.

**E.** a symphony orchestra.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 1 Easy*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Management*

Feedback: The workplace of the future may resemble a symphony orchestra, famed management theorist Peter Drucker said. Employees, especially so-called knowledge workers, can be compared to concert musicians. Their managers can be seen as conductors. The conductor's role is not to play each instrument but to lead them all through the most effective performance of a particular work.

50. Elizabeth is a chef and the kitchen manager in an upscale restaurant. She is very knowledgeable in both the culinary and restaurant management fields. Because she possesses these technical skills, Elizabeth can be considered a(n) \_\_\_\_ worker.

A. cognitive

B. focused

C. top-rated

D. MBO

**E.** knowledge

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Management*

Feedback: A knowledge worker is one who has a great deal of technical skill.

51. What are the four levels of managers?

A. upper, regional, middle, lower

B. upper, middle, floating, lower

**C.** top, middle, first-line managers, team leaders

D. top, middle, first-line, advisors

E. upper, board of directors, middle, lower

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Management*

Feedback: Managers may be classified into four levels: top, middle, first-line, and team leaders.

52. Mark, vice president of human resources at Executive Corporation, is a(n)

A. team leader.

B. first-line level manager.

C. board manager.

D. middle-level manager.

**E.** upper-level manager.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Top-Level Management*

Feedback: An organization's top managers tend to have titles such as "chief executive officer (CEO)," "chief operating officer (COO)," "president," and "senior vice president."

53. Felix pays a lot of attention to the environment outside his company, staying alert for long-run opportunities and problems and devising strategies for dealing with them. Felix is a(n)

A. team leader.

B. first-line manager.

C. board manager.

D. monitoring manager.

**E.** upper-level manager.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Top-Level Management*

Feedback: Top managers make long-term decisions about the overall direction of the organization. They need to pay a lot of attention to the environment outside the organization, being alert for long-run opportunities and problems and devising strategies for dealing with them. Thus, executives at this level must be future-oriented, dealing with uncertain, highly competitive conditions.

54. Paula, a plant manager, received an e-mail from the CEO stating that the company will now be focusing on customer service. The e-mail also stated that all plant managers need to implement this policy and coordinate the activities related to this strategy for their lowest-level managers. Paula is a(n)

A. team leader.

B. first-line manager.

C. board member.

**D.** middle manager.

E. top manager.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Analyze*

*Difficulty: 2 Medium*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Middle Level Management*

Feedback: Middle managers implement the policies and plans of the top managers above them and supervise and coordinate the activities of the first-line managers below them.

55. Donna manages the service desk and makes routine decisions related to customer refunds and merchandise returns. Donna also oversees the daily tasks of the cashiers and front desk employees. Donna is a(n)

A. team leader.

**B.** first-line manager.

C. board member.

D. middle manager.

E. top manager.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: First-Line Management*

Feedback: Following the plans of middle and top managers, first-line managers make short-term operating decisions, directing the daily tasks of nonmanagerial personnel who are all those people who work directly at their jobs but don't oversee the work of others.

56. Betty reports to the front desk manager. Betty is responsible for directing the team activities of four cashiers who are responsible for developing a plan to improve customer service. Betty does not have authority over other team members, but she provides guidance, instruction, and direction to them. Betty is a(n)

A. lower-level manager.

**B.** team leader.

C. advisory manager.

D. director of the board.

E. top-level manager.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Team Leader*

Feedback: Members of a team generally report to a first-line manager, who has the authority to hire and fire, controls resources, and is responsible for the team's performance. But one of the members of the team may be charged with being the team leader, a manager who is responsible for facilitating team activities toward achieving key results. Team leaders may not have authority over other team members, but they are expected to provide guidance, instruction, and direction to the others; to coordinate team efforts; and to resolve conflicts.

57. Donna, vice president of finance, and Bob, vice president of human resources, are

A. lower-level managers.

B. team leaders.

C. advisory managers.

D. board members.

**E.** functional managers.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Functional Manager*

Feedback: A functional manager is responsible for just one organizational activity.

58. Tutors for Students (TFI) is an organization with the purpose of offering free tutoring to older students. TFI does not expect to earn any money through its operations. Therefore, TFI is an example of a \_\_\_\_ organization.

**A.** nonprofit

B. mutual-benefit

C. commonweal

D. servant

E. for-profit

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Organization*

Feedback: Nonprofit organizations' purpose is to offer services to some clients, not to make a profit. Examples of such organizations are hospitals, colleges, and social-welfare agencies (e.g., the Salvation Army, the Red Cross).

59. The city fire department offers its services to any individual within its city limits, so even Paul, who is driving through the city on vacation, received assistance with a car fire. The fire department is an example of a \_\_\_organization.

A. servant

**B.** commonweal

C. for-profit

D. volunteer

E. mutual benefit

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Organization*

Feedback: One particular type of nonprofit organization is called the commonweal organization. Unlike nonprofit service organizations, which offer services to some clients, commonweal organizations offer services to all clients within their jurisdictions. Examples are the military services, the U.S. Postal Service, and your local fire and police departments.

60. Josh, a college student, has become very interested in helping his community, so he is volunteering in a neighborhood improvement organization. This type of organization is an example of a(n) \_\_\_\_\_\_ organization.

**A.** mutual-benefit

B. for-profit

C. nonprofit

D. advancement

E. green

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Organization*

Feedback: Mutual-benefit organizations are voluntary collections of members such as political parties, farm cooperatives, labor unions, trade associations, and clubs whose purpose is to advance members' interests.

61. The police chief is meeting with some citizens in his community, where he will discuss the police department's positive service delivery. The success of his organization is measured by

A. its increased involvement in the community.

B. how much money he saved last year.

C. its image in the public eye.

D. its profitability.

**E.** its effectiveness, such as decreased crime.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Organization*

Feedback: In a nonprofit organization, although income and expenditures are very important concerns, the measure of success is usually the effectiveness of the services delivered.

62. According to management scholar Henry Mintzberg, which of the following is true of managers?

A. They tend to work long hours and rely less on verbal communication than on written communication.

B. They have work that is characterized by brevity and routine.

**C.** They have work that is characterized by fragmentation, brevity, and variety.

D. They tend to work long hours at a slow pace.

E. They tend to work shorter hours and rely more on written communication than on verbal communication.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: Managers tend to work long hours at an intense pace; their work is characterized by fragmentation, brevity, and variety; and they rely more on verbal than on written communication. Only about a tenth of the managerial activities observed by Mintzberg took more than an hour; about half were completed in under 9 minutes. Phone calls averaged 6 minutes, informal meetings 10 minutes, and desk-work sessions 15 minutes.

63. According to management scholar Henry Mintzberg, which three roles do managers play?

A. interpersonal, analytical, professional

B. professional, leader, informational

C. interdependent, monitor, analytical

**D.** interpersonal, informational, decisional

E. interpersonal, analytical, monitor

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: From his observations and other research, Mintzberg concluded that managers play three broad types of roles or "organized sets of behavior": interpersonal, informational, and decisional.

64. As a store manager, Liandra has to play the role of negotiator, such as purchasing products at a fair price for her company. As she handles this responsibility, Liandra is playing the \_\_\_\_ role.

A. disseminator

**B.** decisional

C. leadership

D. bargainer

E. interpersonal

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: In their decisional roles, managers use information to make decisions to solve problems or take advantage of opportunities. The four decision-making roles are entrepreneur, disturbance handler, resource allocator, and negotiator.

65. Greg, the marketing manager, is constantly seeking information about his competition while looking online or speaking to people. Greg is playing the \_\_\_ role.

A. liaison

B. decisional

C. resource allocator

D. disseminator

**E.** monitor

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: As a monitor, you should be constantly alert for useful information, whether gathered from newspaper stories about the competition or gathered from snippets of conversation with subordinates you meet in the hallway.

66. Raylene, the CEO of a Fortune 500 company, met with business leaders from the local community. Afterwards, she spent time informally answering their questions about the company. In answering these questions, which managerial role was Raylene playing?

A. consumerism resource allocator

**B.** leadership figurehead

C. monitor

D. entrepreneur

E. thought leader/visionary

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: In your figurehead role, you may show visitors around your company. In general, you perform symbolic tasks that represent your organization.

67. To maintain a competitive advantage, the top management of a national furniture store made the decision to increase employee training, add rewards that motivate employees, and look at improving procedures related to disciplining workers. These decisions are made by managers who play a \_\_\_\_\_\_ role.

A. figurehead

**B.** leadership

C. liaison

D. spokesperson

E. negotiator

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: In a role of leader, you are responsible for the actions of your subordinates, since their successes and failures reflect on you. Your leadership is expressed in your decisions about training, motivating, and disciplining people.

68. Melissa, the hotel manager, knows that the number of guests at her hotel has significantly decreased.

Therefore, corporate has made it clear that the amount each department can spend on certain items will need to be cut for the year. Melissa needs to work with the hotel department managers on how to cut costs, as a part of her role as

A. monitor.

B. disseminator.

C. disturbance handler.

D. entrepreneur.

**E.** resource allocator.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: Because you'll never have enough time, money, and so on, you'll need to be a resource allocator as a manager, setting priorities about use of resources.

69. The vice president of human resources for a national electronics retailer is meeting with employees of several stores to present information to workers that their stores are closing and how the company will help employees in the future. Here, the vice president of HR is playing a(n) \_\_\_\_\_\_\_ role.

A. spokesperson

B. liaison

**C.** disseminator

D. entrepreneur

E. transition

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: Workers complain they never know what's going on if a supervisor fails in the role of disseminator. Managers need to constantly disseminate important information to employees, such as via e-mail and meetings.

70. Rebecca, a department manager, has been dealing with two workers in her department who do not get along. Due to family problems for both employees, today they had a loud argument in the break room. Rebecca is meeting with both to resolve the issues. Which managerial role is Rebecca playing?

A. monitor

B. resource allocator

**C.** disturbance handler

D. negotiator

E. spokesperson

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: Unforeseen problems, from product defects to international currency crises, require a manager to be a disturbance handler, fixing problems.

71. Maria, the public relations manager of a local library, is meeting with the news media regarding a new reading program for children. Maria is performing the \_\_\_\_\_\_\_ role.

**A.** spokesperson

B. disseminator

C. liaison

D. entrepreneur

E. figurehead

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: You are expected, of course, to be a diplomat, to put the best face on the activities of your work unit or organization to people outside it. This is the informational role of spokesperson.

72. One of the reasons Ace Distributors, a local manufacturing company, is considered a good place to work is that the managers encourage and reward their employees for developing new products and ways of improving existing products and services. In this example, Ace Distributors' managers are carrying out the \_\_\_\_\_\_ role.

A. talent implementer

B. developer

**C.** entrepreneur

D. visionary

E. improvement

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: A good manager is expected to be an entrepreneur, to initiate and encourage change and innovation.

73. Deshawn started a new type of business that provides new and unique services that did not exist before his efforts. Deshawn is acting as a(n)

A. team leader.

B. developer.

**C.** entrepreneur.

D. angel capitalist.

E. intrapreneur.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-07: Discuss the qualities of a successful entrepreneur.*

*Topic: Entrepreneurship*

Feedback: An entrepreneur is someone who sees a new opportunity for a product or service and launches a business to try to realize it. Most small businesses originate with entrepreneurs—people with ideas, risk takers.

74. An entrepreneur is best described as

A. someone who works inside an existing organization and sees a new product opportunity.

B. a type of intrapreneur.

C. a type of research assistant.

**D.** someone who takes risks to try to create a new enterprise.

E. someone who develops a new enterprise without risks.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-07: Discuss the qualities of a successful entrepreneur.*

*Topic: Entrepreneurship*

Feedback: Entrepreneurship is the process of taking risks to try to create a new enterprise.

75. An individual or individuals who work(s) within an existing organization, using personal resources to make the most of an opportunity, is a(n)

A. entrepreneur.

B. angel investor.

C. stockholder.

D. venturist.

**E.** intrapreneur.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-07: Discuss the qualities of a successful entrepreneur.*

*Topic: Intrapreneur*

Feedback: An intrapreneur is someone who works inside an existing organization who sees an opportunity for a product or service and mobilizes the organization's resources to try to realize it.

76. When Dave, a restaurant owner, had his seafood business destroyed by Hurricane Katrina, he believed that he was in control of his own destiny and made a decision to rebuild the company. Dave is an individual with a(n)

A. external locus of control.

B. exit strategy.

C. low tolerance for ambiguity.

**D.** internal locus of control.

E. inside opportunity.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-07: Discuss the qualities of a successful entrepreneur.*

*Topic: Internal Locus of Control*

Feedback: Internal locus of control is the belief that you control your own destiny, that external forces will have little influence.

77. Which of the following are the characteristics of an entrepreneur?

**A.** self-confidence, belief in personal control of destiny, and high energy level

B. an action orientation, low energy level, and high tolerance for ambiguity

C. a high tolerance for ambiguity, high energy level, and little tolerance for ambiguity

D. self-confidence, little belief in personal control of destiny, little tolerance for ambiguity

E. self-confidence, belief in personal control of destiny, and low need for achievement

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-07: Discuss the qualities of a successful entrepreneur.*

*Topic: Entrepreneurship*

Feedback: An entrepreneur has a high need for achievement, a belief in personal control of destiny, a high energy level and action orientation, a high tolerance for ambiguity, and self-confidence and tolerance for risk.

78. Sally has a high-paying management position with a Fortune 500 company, but she is tired of working for corporate America. So Sally has decided to start a business, and she knows she will be successful as an entrepreneur because entrepreneurs typically

**A.** have a high need for achievement.

B. have little tolerance for risk.

C. have an external locus of control.

D. have a low need for achievement.

E. believe others control their destiny.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-07: Discuss the qualities of a successful entrepreneur.*

*Topic: Entrepreneurship*

Feedback: Entrepreneurs certainly seem to be motivated to pursue moderately difficult goals through their own efforts in order to realize their ideas and, they hope, financial rewards.

79. After his company closed the retail location he managed, while Tareq was interviewing for other management positions, he began a painting business. Tareq is an example of a(n)

A. risk intrapreneur.

B. intrapreneur.

C. opportunity intrapreneur.

D. performance entrepreneur.

**E.** necessity entrepreneur.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-07: Discuss the qualities of a successful entrepreneur.*

*Topic: Entrepreneurship*

Feedback: So-called necessity entrepreneurs are people such as laid-off corporate workers, discharged military people, immigrants, and divorced homemakers who suddenly must earn a living and are simply trying to replace lost income.

80. According to Robert Katz, which three skills do managers develop through education and experience?

A. cognitive, people, technical

B. monitoring, planning, leading

C. planning, leading, conceptual

D. technical, leading, planning

**E.** technical, conceptual, human

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-05: Discuss the skills of an outstanding manager.*

*Topic: Management*

Feedback: In the mid-1970s, researcher Robert Katz found that through education and experience managers acquire three principal skills: technical, conceptual, and human.

81. What do technical skills consist of?

A. the ability to think analytically

B. the ability to think analytically, to visualize an organization as a whole, and to understand how the parts work together

**C.** job-specific knowledge needed to perform well in a specialized field

D. the ability to work well in cooperation with other people to get things done

E. the ability to think in a logical manner

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-05: Discuss the skills of an outstanding manager.*

*Topic: Management*

Feedback: Technical skills consist of the job-specific knowledge needed to perform well in a specialized field.

82. Conceptual skills consist of

A. the ability to think practically.

**B.** the ability to think analytically, to visualize an organization as a whole, and to understand how the parts work together.

C. the job-specific knowledge needed to perform well in a specialized field.

D. the ability to work well in cooperation with other people to get things done.

E. the ability to think in a logical manner.

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-05: Discuss the skills of an outstanding manager.*

*Topic: Management*

Feedback: Conceptual skills consist of the ability to think analytically, to visualize an organization as a whole, and to understand how the parts work together.

83. When Randy, a general manager of a national retailer, moved to a different store in his company that was having difficulty, he knew that sales were low and after talking to his employees, he found morale was also low. At first Randy thought attitudes were poor due to low sales, but after working closely with employees, he realized that the poor attitudes were actually the cause of poor sales. Randy was able to discover the cause of the problem by utilizing \_\_\_\_\_\_ skills.

A. perceptive

**B.** conceptual

C. people

D. soft

E. technical

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-05: Discuss the skills of an outstanding manager.*

*Topic: Management*

Feedback: Conceptual skills consist of the ability to think analytically, to visualize an organization as a whole, and to understand how the parts work together.

84. Because upper management must deal with problems that are ambiguous but that could have far-reaching consequences, \_\_\_\_ skills are particularly important for top managers.

A. people

**B.** conceptual

C. leadership

D. financial

E. technical

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-05: Discuss the skills of an outstanding manager.*

*Topic: Management*

Feedback: Conceptual skills are particularly important for top managers, who must deal with problems that are ambiguous but that could have far-reaching consequences.

85. You are a senior manager at a large consumer goods company. The company president has noticed that recent college graduates and junior-level employees tend to gravitate toward you. They come to you for advice and ask for your opinion on important matters, even though you are not their direct supervisor. The president realizes that you are acting as a(n) \_\_\_\_\_ to junior employees.

**A.** mentor

B. client

C. entrepreneur

D. team leader

E. middle manager

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: A mentor is an experienced person who provides guidance to someone new to the work world.

86. Donna, the office manager, spends a large part of her day working closely with those whom she supervises to successfully accomplish the many tasks she is responsible for. She also works well with other departments to get things done. Which type of managerial skill is Donna exhibiting?

A. technical

B. sales

**C.** human

D. partnership

E. culture

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-05: Discuss the skills of an outstanding manager.*

*Topic: Management*

Feedback: Human skills consist of the ability to work well in cooperation with other people to get things done. They include the ability to motivate, to inspire trust, and to communicate with others.

87. \_\_\_\_\_\_ refer to the ability to motivate, to inspire trust, and to communicate with others.

A. Technical skills

B. Strategic planning

**C.** Soft skills

D. Training skills

E. Planning and organizing skills

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-05: Discuss the skills of an outstanding manager.*

*Topic: Management*

Feedback: Soft skills (human skills), including the ability to motivate, to inspire trust, and to communicate with others, are necessary for managers of all levels.

88. You have just taken a job as an entry-level manager for a company that provides house-cleaning services. The company has a large national presence, with offices in 40 U.S. states. You know you are starting at the bottom of the management ladder, but you hope to grow and rise through the ranks to become a senior manager. What is your likely salary range when you first take the job?

A. $45,000 - $120,000

**B.** $35,000 - $60,000

C. $80,000 - $100,000

D. $14,000 - $20,000

E. $26,000 - $29,000

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 2 Medium*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

Feedback: Managers' salaries are generally higher compared with most workers. At the lower rungs, managers may make between $35,000 and $60,000 a year. In the middle levels, between $45,000 and $120,000.

89. You work as the sales manager for a company that sells office supplies to businesses of all sizes. Because the profit margins are razor-thin, you need to ensure that you are getting the very best prices on paper, pencils, pens, Post-It Notes, and other office supplies from the manufacturers. When reviewing the quarterly profit statement, you realize that your costs are higher than they should be, and you trace the higher costs back to an employee who has been lax about getting competitive bids to ensure the lowest prices. When you conduct your research to determine the reason for the higher costs, and take action to bring those costs back down, in which of the key management processes are you taking part?

A. planning

B. organizing

C. leading

**D.** controlling

E. mentoring

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Management*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: When you take part in the controlling function of management, you monitor performance, compare it with goals, and take corrective action as needed.

90. In medium- and large-sized cities, such as Cincinnati, Indianapolis, Chicago, and New York, many residents have been getting rid of their cars. Keeping a car in a city can be very expensive and quite a hassle due to a lack of parking and strong parking regulations that lead to expensive tickets for even minor parking infringements. Residents have learned that they can join services, such as ZipCar, that allow them to "borrow" cars from a fleet when they need them. They pay a monthly fee for the service, and they use an online application to "reserve" a car for when they need it. All of the hassle is gone; the car is ready for them when they need it; and parking is always guaranteed. ZipCar and other companies like it are examples of

**A.** the sharing economy.

B. the information society.

C. intrapreneurship.

D. an internal locus of control.

E. a start-up.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: The sharing economy, also known as collaborative or peer-to-peer marketplaces, allows people to share items rather than own them individually, thus saving quite a bit of money. For example, those who use Airbnb to rent a place to stay often pay much less than they would pay for a hotel room.

91. Which of the following is an example of a disruptive innovation?

A. Apple begins selling its up-market iMac computer, and then it introduces an even more expensive version of the computer with a new screen designed for top-quality display

**B.** A small hamburger stand located in the parking lot of a gas station becomes so popular that it takes over a large building and takes most of the customers that used to patronize the local McDonald's, Wendy's, and

Burger King.

C. Amazon announces that it will begin offering electronic books for lower prices on its electronic Kindle reading device.

D. An upscale department store, such as Nordstrom, decides to add a free personal shopping service for all customers who spend a minimum of $10,000 per year at the store.

E. A manufacturer of scales decides to change the basic design of its product so that the readout of a person's weight is presented digitally, in large glowing numbers that are easy to read.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Competitive Advantage*

Feedback: Disruptive innovation is a process in which a product or service takes root initially in simple applications at the bottom of the market and then relentlessly moves up the market, eventually displacing established competitors.

92. Mostly Murder Press is a small publisher that specializes in publishing mystery and suspense novels. Mostly Murder Press does not maintain an office. Rather, its four employees work from their homes. One lives in New York, one lives in Chicago, one lives in San Antonio, and one lives in Portland, Oregon. The staff collaborate using Skype, Google Hangouts, WebEx, phone conference calls, and other business applications that allow them to meet in real time. Mostly Murder Press is an example of

A. Big Data at work.

B. e-commerce.

C. sustainability in action.

**D.** a virtual organization.

E. intrapreneurship.

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Technology*

Feedback: Virtual organizations and teams are not bound by time zones and locations. They often allow employees to telecommute, and they make use of videoconferencing and project management software to accomplish the company's goals.

93. Which of the following jobs in a high-tech company would be considered a "high-touch job"?

**A.** traveling sales reps who meet with the owners or managers of electronics stores

B. the bookkeepers who work in the company's accounts payable department

C. the building's maintenance managers, who make sure the physical plant remains in good working order

D. the warehouse staff who fulfill customers' orders

E. the Web designer who designs and continuously updates the company's website

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: Middle Level Management*

Feedback: High-touch jobs deal with people rather than computer screens or voice-response systems.

94. Today's hiring managers note that many recent college graduates lack "soft skills," skills that encompass a wide range of abilities to motivate, to inspire trust, and to work with others. According to these managers, which of the following is NOT a soft skill that many college graduates lack?

A. the ability to think critically

B. the ability to communicate in writing

C. the ability to keep an open mind among competing ideologies

D. the ability to manage emotional and facial expressions so as not to offend co-workers

**E.** the ability to multitask

*AACSB: Reflective Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Remember*

*Difficulty: 2 Medium*

*Topic: Communication*

Feedback: Today's managers believe that recent college graduates are lacking in communication and interpersonal skills, critical thinking and problem-solving skills, and ethical judgment and decision-making skills. Rudeness is a problem; so is an inability to write effectively. Hiring managers are not complaining about job candidates' abilities to multitask.

95. Companies that develop and sell smartphone apps would be wise to focus their efforts on \_\_\_\_\_\_\_, who were born from the mid-1990s to the mid-2000s.

A. the Baby Boomers

B. the Millennials

**C.** Generation Z

D. Generation X

E. the Lost Generation

*AACSB: Knowledge Application*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Demographics*

Feedback: The approximately 20 million people born from the mid-1990s to the mid-2000s are known as Generation Z. These are the folks who were "practically born with a smartphone in their hand."

96. You are a senior manager at a large consumer goods company. The company president has noticed that recent college graduates and junior-level employees tend to gravitate toward you. They come to you for advice and ask for your opinion on important matters, even though you are not their direct supervisor. The president realizes that you are acting as a(n) \_\_\_\_\_ to junior employees.

**A.** mentor

B. client

C. entrepreneur

D. team leader

E. middle manager

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Apply*

*Difficulty: 2 Medium*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

Feedback: A mentor is an experienced person who provides guidance to someone new to the work world.

97. \_\_\_\_\_\_\_\_\_ refer to the ability to motivate, to inspire trust, and to communicate with others.

**A.** Soft skills

B. Technical skills

C. Strategic planning

D. Training skills

E. Planning and organizing skills

*AACSB: Analytical Thinking*

*Accessibility: Keyboard Navigation*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-05: Discuss the skills of an outstanding manager.*

*Topic: Management*

Feedback: Soft skills (human skills), including the ability to motivate, to inspire trust, and to communicate with others, are necessary for managers at all levels.

98. What is efficiency? What is effectiveness? Imagine you manage a local car wash. Which criteria might you use to determine your efficiency as a manager? Which criteria might you use to determine your effectiveness?

Efficiency is the means, while effectiveness is the ends. Efficiency is the means of attaining the organization's goals. To be efficient means to use resources (people, money, raw materials, and the like) wisely and costeffectively. To be effective means to achieve results, to make the right decisions, and to successfully carry them out so that they achieve the organization's goals. Good managers are concerned with trying to achieve both qualities.

Answers regarding the efficiency and effectiveness of a manager at a local car wash will vary, but here are two possibilities:

Because efficiency means using resources wisely and cost-effectively, a manager might appraise his efficiency on how much water the car wash uses (for example, does the car wash recycle water in order to keep its water bills down?), how well he negotiates with vendors (for example, by getting the best possible prices on detergent and polish), and how well he manages his staff (which might be measured by turnover or number of sick days taken).

To determine his effectiveness, the manager would look at how well he carries out the company's goals. If the company's owners have set a goal of increasing monthly subscriptions (unlimited car washes for a set fee per car per month) by 10 percent per month, the manager can look at the number of subscriptions sold each week to determine if he is meeting that goal.

*AACSB: Analytical Thinking*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-01: Identify the rewards of being an exceptional manager.*

*Topic: Management*

99. Suppose you are the chair of the business department at your college or university. In addition to your academic duties, you must manage your department. Discuss some ways you might meet the challenges of managing information technology for students and faculty.

The challenges of managing for information technology, not to mention other technologies affecting contemporary business, require a manager’s unflagging attention. Most important is the Internet, the global network of independently operating but interconnected computers, linking hundreds of thousands of smaller networks around the world. Today’s faculty and students all have computers that are linked to the Internet (or have access to such computers in libraries and other facilities). Students now live in a “linked” world and want part of their educational experience to be electronic. As a manager, you must manage technology to meet your customers’ (students’) demands while also managing the quality of the education you deliver.

E-commerce, or electronic commerce—the buying and selling of goods or services over computer networks—has reshaped entire industries and revamped the very notion of what a company is. Information technology has led to the growth of e-business, using the Internet to facilitate every aspect of running a business. Today’s students want access to an online course registration system; some of them also want access to electronic textbooks rather than printed textbooks. As a department chair you might work with your college’s IT department to ensure that students can sign up for courses from any computer linked to the Internet.

Managers must also manage e-communication. Using mobile devices such as smartphones and tablets, 21stcentury managers need to become masters of electronic communication, able to create powerful messages, motivate, and lead teams of specialists all over the world. They must harness the power of texting and social media while ensuring that employees do not waste their time on electronic activities that do not further business goals. For example, employees can lose valuable time and productivity when dealing with excessive and unimportant e-mail and text messages, leading to increased conflict and stress. As department chair, you will want to encourage (electronic) communication among faculty and students while making sure that students pay attention in class and are not distracted by time-wasting social media that does not contribute to their education or college experience. If you have faculty who are technologically behind the times, you will need to arrange for training so that they can teach effectively in today’s electronic environment.

Today’s managers are faced with ever-increasing amounts of data. Cloud computing and huge, interconnected databases can assemble astonishing quantities of information and make them available instantaneously. Contemporary managers are working in the era of “Big Data,” stores of data so vast that conventional database management systems cannot handle them. Managers must mine data to uncover opportunities and to make the right decisions for the business. They must also protect against violating people's right to privacy. If your department uses course management software, such as Canvas or BlackBoard, you and your department faculty can mine data to determine the topics that students have the most difficulty understanding or the courses they find the most difficult to pass.

The rise of artificial intelligence has led to more automation in the workforce. Artificial intelligence (AI) is the discipline concerned with creating computer systems that simulate human reasoning and sensation.

While AI is still in its infancy, it is likely that it will lead to job losses. Managers must consider the implications of AI for staffing, training, and professional development (for both themselves and their employees). Already some schools have begun to replace traditional instruction with computerized, remedial instruction. For example, in a business communication course, students may focus on different types of business documents in class but get up to speed with grammar and punctuation through online tutorials that they complete on their own time.

Technology is also leading to organizational changes: shifts in structure, jobs, goals, and management. Managers must manage in an era where telecommuting and videoconferencing have become common. Today’s students demand online courses; as a department chair, you will need to determine the best way to offer these courses.

Today’s managers can use project management software (programs for planning and scheduling the people, costs, and resources to complete a project on time) and collaborative computing to help people work together better. All such forms of interaction will require managers and employees to be more flexible, and to implement systems and practices to increase the sharing of knowledge and information throughout an organization. Most colleges have an intranet that allows faculty and staff to communicate about important issues.

*AACSB: Analytical Thinking*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Management*

100. Define and explain the three roles that managers play, according to Henry Mintzberg. Also explain and give an example fo the subroles within each category.

Mintzberg identified three important roles played by managers:

Interpersonal roles—Managers interact with people inside and outside their work units. The three interpersonal roles include *figurehead* (performing symbolic tasks that represent your organization, such as attending employee birthday parties), *leader* (being responsible for the actions, successes, and failures of your subordinates as in taking responsibility when an employee does something unethical), and *liaison* activities (working with other people outside your work unit to develop alliances that will help you achieve your organization's goals, as in talking to managers of other departments to help facilitate the flow of work among different employee groups).

Informational roles—As monitor, disseminator, and spokesperson, managers receive and communicate information with other people inside and outside the organization. In the *monitoring* role, you are constantly alert for useful information, perhaps reading *The Wall Street Journal* daily to keep up with changes in the economy. In the disseminator role, you make sure employees receive key information, such as information about changes in company policy or new markets the company is planning to enter. In the *spokesperson* role, you show the company's best face to people outside the company, perhaps by granting interviews with the local news station to talk about the company's new environment-friendly manufacturing techniques.

Decisional roles—Managers use information to make decisions to solve problems or take advantage of opportunities. The four decision-making roles are entrepreneur, disturbance handler, resource allocator, and negotiator. As an *entrepreneur*, you initiate and encourage change and innovation, perhaps by leading an initiative to decrease energy consumption by 10 percent within the office. As a *disturbance handler*, you fix unforeseen problems, perhaps using technical skills to help get the production process back on track. As a *resource allocator*, you set priorities about the use of resources, making sure that you are investing time and money in activities that will offer a high return on investment. As a *negotiator*, you work with others inside and outside the organization to accomplish your goals, understanding the give-and-take (negotiating skills) that successful management requires.

*AACSB: Analytical Thinking*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-06: Identify the roles an effective manager must play.*

*Topic: Managerial Roles*

*Topic: Managerial Roles*

101. List the characteristics that most entrepreneurs have. Suppose you have decided to start a nail salon in a town that does not currently have one. Explain how you will benefit from having each of these characteristics.

The characteristics that most entrepreneurs have include a high need for achievement, belief in personal control of destiny (including an internal locus of control), high energy level and action orientation, high tolerance for ambiguity, and self-confidence and tolerance for risk.

If you are starting a nail salon, a high need for achievement is essential. Renting a space and hiring staff will be expensive. To put your business on the map and make it flourish, you must be driven to succeed.

By having an internal locus of control, you say to yourself, "I am in charge of making my business successful. I cannot leave it to luck." You believe that you are responsible for marketing the business and making it profitable, and you wake up every day with that knowledge.

A high level of energy and an action orientation will keep you motivated. Each day you will ask yourself, "Am I doing everything I can to make my business grow? What else can I do? What can I do better?" You will never be satisfied with the status quo; you will always be looking for ways to improve (and increase your profitability).

Among all this, your high tolerance for ambiguity will keep you focused in a world where many start-up businesses fail each year. You recognize that money will be tight until your business is established, and you make contingency plans that will get you past the rough spots.

Finally, your self-confidence and tolerance for risk will get you through some tough times. You have to believe in your product and your staff, and you have to be willing to take chances to get noticed (positively) in a world where so many marketing messages are competing for attention.

*AACSB: Analytical Thinking*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-07: Discuss the qualities of a successful entrepreneur.*

*Topic: Entrepreneurship*

102. This question has two parts; be sure to answer each. First, describe the three principal skills that good managers need to have. Second, suppose you are the managing editor of a local newspaper, and give an example of each skill that you might use daily while performing your job.

Good managers need to work on developing three principal skills. The first is *technical skills*, which consist of job-specific knowledge needed to perform well in a specialized field. The managing editor of a newspaper needs to understand journalism—what makes a good story—as well as the process of having a newspaper laid out, printed, and delivered on tight schedules.

The second is *conceptual skills,* or the ability to think analytically. The managing editor of the newspaper needs to think about the newspaper's readership and how the paper can increase both circulation and ad revenue.

The third is *human skills*, or the ability to interact well with people. The managing editor needs to get the best out of his reporters, copyeditors, and other staff members.

*AACSB: Analytical Thinking*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Objective: 01-05: Discuss the skills of an outstanding manager.*

*Topic: Management*

103. List and summarize the four levels of management, summarizing the job responsibilities for someone at each level. For each level of management, discuss some of the activities that would be performed by the managers of a U.S.-based party-favor store.

Managers may be classified into four levels: top, middle, first-line, and team leaders. (Answers will vary regarding the tasks performed by the managers at the U.S.-based party-favor company.)

Top managers make long-term decisions about the overall direction of the organization and establish the objectives, policies, and strategies for it. They need to pay a great deal of attention to the environment outside the organization, being alert for long-run opportunities and problems and devising strategies for dealing with them. Thus, executives at this level must be future oriented, dealing with uncertain, highly competitive conditions. The top managers at the party-favor company will need to be on the lookout for competition from abroad; it may be the case that competing companies in other countries can produce party favors at a much lower cost, thereby gaining a price advantage over the U.S. company. Top managers may need to look into outsourcing and other cost-saving measures in order to remain competitive.

Middle managers implement the policies and plans of the top managers above them and supervise and coordinate the activities of the first-line managers below them. At the party-favor company, a middle manager might meet with a top manager and receive the following goal: "Enter the wedding-favor market, achieving market penetration of 10 percent by the end of the fiscal year." The middle manager implements this goal by working with first-line managers to define the tasks that will achieve this goal, as well as managing the progress in reaching that goal.

Following the plans of middle and top managers, first-line managers make short-term operating decisions, directing the daily tasks of nonmanagerial personnel. A first-line manager on the shop floor might oversee the installation of new equipment to create wedding favors, arrange for the employees to receive training on the new equipment, and then monitor the output to make sure that costs are controlled and the wedding favors are of high quality.

Team leaders are responsible for facilitating team activities toward achieving key results. Team leaders may not have authority over other team members, but they are expected to provide guidance, instruction, and direction to the others; to coordinate team efforts; to resolve conflicts; to represent the team to the first-level manager; and to make decisions in the absence of consensus. The party-favor company may appoint a team leader for its new wedding-favor business; this team leader will coordinate the efforts of the team members, perhaps helping them apply best practices from other parts of the organization to achieve the company's goals.

*AACSB: Analytical Thinking*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-04: Describe the levels and areas of management.*

*Topic: First-Line Management*

*Topic: Middle Level Management*

*Topic: Team Leader*

*Topic: Top-Level Management*

104. Imagine that you are the manager of a housekeeping service. Specifically describe how you would use the four functions of management to run your services for the next week.

*Planning* is setting goals and deciding how to achieve them. The manager of a housekeeping service must set goals for how many houses the company will clean each month and how the company will go about getting (and keeping) clients.

*Organizing* is arranging tasks, people, and other resources to accomplish the work. The manager of the housekeeping service must hire qualified and trustworthy employees to do the work, and must then schedule them accordingly.

Leading is motivating, directing, and otherwise influencing people to work hard to achieve the goals. The manager of the housekeeping service should not sit behind a desk all the time; he or she should get out and meet the customers and visit housekeeping sites to talk with employees about the challenges they face and how they can contribute to the company.

*Controlling* is monitoring performance, comparing it to goals, and taking corrective action as needed. The manager of the housekeeping service will need to monitor the amount of time it takes each team to clean a house and whether each employee is pulling his or her share of the weight. If any employee is not performing up to expectations, the manager needs to take corrective action (perhaps a warning, perhaps an assignment to a different aspect of the job).

*AACSB: Analytical Thinking*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-02: List the four principle functions of a manager.*

*Topic: Controlling*

*Topic: Leading*

*Topic: Organizing*

*Topic: Planning*

105.This question has two parts; be sure to answer each.

First, describe the challenges of managing for ethical standards.

Second, suppose you manage a restaurant that works on extremely tight profit margins. You are examining the pantry and you realize that many of the food products have expired. The chances that someone will get sick from consuming the products are sli, and if you discard all of the expired foods you can kiss your profit goodbye this month. What should you do?

With the pressure to meet sales, production, and other targets, managers can find themselves confronting ethical dilemmas. Ethical behavior is not just a nicety; it is a very important part of doing business, regardless of the size of the organization or the product or service it sells. Business crime is not perpetrated just by respectable-looking people wearing suits.

Answers regarding the restaurant manager's ethical dilemma will vary, but here is one possible response:

The restaurant manager might think that discarding all of the foods is the ethical choice, and that she must do so in order to maintain ethical standards and protect her customers (as well as prevent possible lawsuits against the restaurant). However, she may have other options. For example, she might call the producers of the goods and ask if the expiration date means a "best when used by date," in which case the manager may be able to cut her losses by using some of the expired goods (as long as they pose no danger to customers). She still risks serving food that will not be as tasty as it would have been otherwise, but she will have to decide whether it is a risk worth taking.

*AACSB: Analytical Thinking*

*Blooms: Apply*

*Difficulty: 3 Hard*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Management*

106. Describe the challenges of managing for globalization. Suppose you manage a small café in a large city with a diverse immigrant population. What are some of the challenges you might face in managing for globalization, and how would you rise to the challenges?

Verbal expressions and gestures don't have the same meaning to everyone throughout the world. Not understanding such differences can affect how well organizations manage globally. American firms have been going out into the world in a major way, even as the world has been coming to us—leading to what *New York Times* columnist Thomas Friedman has called, in *The World Is Flat,* a phenomenon in which globalization has leveled (made "flat") the competitive playing fields between industrial and emerging-market countries.

Answers regarding the globalization challenges of managing an urban café will vary, but here is a possible response:

To be effective, the manager of a small urban café would likely run a demographic analysis of the neighborhood in which the café is located. If it turns out, for example, that the neighborhood is home to a large Dominican and Haitian population, the manager might want to make sure that she offers menu items that are "comfort food" for Dominicans and Haitians. She will want the café to be as welcoming as possible, and the décor should reflect that; perhaps she might even place decals of the Haitian and Dominican flags on the door, or place a blackboard on the sidewalk listing the day's Haitian or Dominican specials. It would also make good business sense for the manager to hire staff who reflect the diverse population of the neighborhood, to make sure that all are welcome. If she hires staff who are originally from Haiti or the Dominican Republic, she might ask for their advice on the best ways to attract customers, including not only the right things to say, but also possible pitfalls she should watch out for.

*AACSB: Analytical Thinking*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Objective: 01-03: Identify the seven challenges most managers will face.*

*Topic: Management*

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