

# Chapter 1— management

[Business](#), [Management](#)



## MULTIPLE CHOICE

1. Which term below is defined as getting work done through others?

- a. management
- b. planning
- c. organizing
- d. strategizing

ANS: APTS: 1REF: p. 3OBJ: 1 MSC: Remember

2. Ruth was hired to be the second-in-command at Graham Mailing Services. She was told that her job was to deal with the employees to make sure they met customers' mailing specifications. She has not been instructed on how to run machines or in any other technical area. Which of the following categories would best describe her position?

- a. marketing
- b. relationship control
- c. management
- d. strategizing

ANS: C Management is getting work done through others. PTS: 1REF: p. 3OBJ: 1MSC: Higher-Order

3. A manager strives to accomplish tasks that help fulfill organizational objectives. Which of the following is the manager trying to improve?

- a. organizational efficiency
- b. organizational effectiveness

- c. organizational functionality
- d. organizational productivity

ANS: BPTS: 1REF: p. 4OBJ: 2 MSC: Remember

4. One reason for the slow response to help the victims of Hurricane Katrina was an antiquated FEMA system that was bogged down in bureaucratic red tape. In other words, assistance failed to arrive in timely fashion because of which of the following?

- a. widespread apathy
- b. inefficient systems
- c. a lack of instrumentality
- d. poorcommunication

ANS: B Efficiency means getting work done with a minimum of effort, expense, or waste. PTS: 1REF: p. 4OBJ: 2MSC: Higher-Order

5. Which word is best defined as the accomplishment of tasks that help fulfill organizational objectives?

- a. optimizing
- b. satisficing
- c. efficiency
- d. effectiveness

ANS: DPTS: 1REF: p. 4OBJ: 2 MSC: Remember

6. To achieve its goal of increased market share, a coffee and donut shop launched a program in London, Ontario, that awards grade-school students a

free donut for every “ A” on their report cards. Which of the following management functions was used to create this program?

- a. controlling
- b. leading
- c. planning
- d. organizing

ANS: C Planning is determining the means to achieve an organizational goal.

PTS: 1 REF: p. 4 OBJ: 2 MSC: Remember

7. Nestle was unsuccessful in early attempts to sell its chocolate in Indi

a. It discovered its chocolate bars were not suitable for the Indian markets because the candy became messy from sitting in direct sunlight without benefit of air conditioning.

Nestle adopted an innovative strategy and developed Chocostick, a liquid chocolate, now very popular. Which management function did Nestle use to solve its problem?

- a. planning
- b. meeting the competition
- c. organizing people, processes, and projects
- d. leading

ANS: A PTS: 1 REF: p. 4 OBJ: 2 MSC: Higher-Order

8. When a manager is determining organizational goals and the means for achieving them, which of the following management functions is being engaged?

- a. planning
- b. organizing
- c. leading
- d. controlling

ANS: APTS: 1REF: p. 4OBJ: 2 MSC: Remember

9. XYZ Bakeries' 2009 objectives were to increase its revenues by at least 5 percent and reduce its net losses by at least 80 percent.

According to your textbook, which of the following management functions would be instrumental in setting and meeting these goals?

- a. planning
- b. organizing
- c. controlling
- d. leading

ANS: A Planning is determining organizational objectives and a means for achieving them. PTS: 1REF: p. 4OBJ: 2MSC: Remember

10. A manager is monitoring progress toward goal achievement and taking corrective action when needed

d. Which of the following management functions is being engaged?

- a. planning
- b. organizing
- c. leading
- d. controlling

ANS: DPTS: 1REF: p. 6OBJ: 2 MSC: Remember

11. A business school administrator is determining what classes will be offered, in which rooms, and who will teach each class. Which of the following management functions is involved in this work?

- a. making things happen
- b. organizing
- c. controlling
- d. leading

ANS: BPTS: 1REF: p. OBJ: 2 MSC: Remember

12. A U. S. Marine drill instructor is motivating new recruits to challenge themselves. Which of the following management functions is being engaged?

- a. planning
- b. organizing
- c. controlling
- d. leading

ANS: DPTS: 1REF: p. 5OBJ: 2 MSC: Remember

13. Southern Living magazine published a recipe for dinner rolls described as “ little pillows from heaven. ” The ensuing controversy forced the magazine to pull its April 2004 issue off newsstands and issue an apology. Which management function did the magazine employ by issuing an apology to readers?

- a. planning
- b. organizing
- c. controlling

- d. leading

ANS: C Controlling is taking corrective action when necessary. PTS: 1REF: p. 6OBJ: 2MSC: Remember

14. In 2004, Hormel Foods recalled 47, 175 kg of Stagg canned chili after ground-up parts of a plastic handheld calculator were discovered in a can. Which of the following management functions did the recall entail?

- a. controlling
- b. leading
- c. planning
- d. organizing

ANS: A Controlling is the monitoring of progress toward the achievement of goals and then taking what corrective action is indicated by the monitoring. PTS: 1REF: p. 6OBJ: 2MSC: Remember

15. A human resource manager had to find inexpensive ways to reward employees and bolster morale during a sales-flattening economic downturn. Which of the following is the management function that would need to be engaged?

- a. planning
- b. organizing
- c. leading
- d. evaluating

ANS: C A manager engaged in the management function of leading is inspiring and motivating workers to keep working hard to achieve organizational goals. PTS: 1 REF: p. 5 OBJ: 2 MSC: Remember

16. Designer Karl Lagerfeld partnered with Swedish retailer Hennes & Mauritz to sell an affordable line of high-fashion clothing, which Lagerfeld will design exclusively for the retailer. Hennes & Mauritz will take responsibility for manufacturing and marketing the clothes. Which of the following management functions guided the alliance between the designer and the retailer?

- a. controlling
- b. leading
- c. planning
- d. organizing

ANS: D Organizing is deciding where decisions will be made, who will do what jobs, and who will work for whom. PTS: 1 REF: p. 5 OBJ: 2 MSC: Remember

17. Jane is in charge of her Rotary Club's annual fund-raising auction. She will decide who will ask local businesses for prizes, who will determine the site, who will sell tickets to customers, and who will work the night of the auction. Which of the following activities is she engaged in?

- a. planning
- b. leading
- c. allocating resources
- d. organizing



ANS: D Organizing is deciding where decisions will be made, who will do what jobs, and who will work for whom. PTS: 1 REF: p. 5 OBJ: 2 MSC:

Remember

18. Robert Rothschild Farm boosted the morale of its 75 employees and showed gratitude to them by hosting its first employee appreciation week.

Which management functions did it use to reward its employees?

- a. leading
- b. commanding
- c. evaluating
- d. controlling

ANS: A Leading involves inspiring employees to work harder to achieve organizational goals. PTS: 1 REF: p. 5 OBJ: 2 MSC: Remember

19. Eastman Kodak owns a company that manufactures dental radiation equipment. The company has experienced excessive financial losses the last three years. Of the following, who is expected to develop the long-term plans needed to make the company profitable?

- a. supervising manager
- b. top manager
- c. first-line manager
- d. middle-level manager

ANS: B PTS: 1 REF: p. 6 OBJ: 2 MSC: Remember

20. Which of the following functions is typically performed by middle managers?

- a. planning and implementing subunit strategies for achieving organizational goals
- b. developing in employees the attitudes of commitment to and ownership in the company's performance
- c. creating a positive organizational culture through language and action
- d. monitoring the business environment

ANS: A Alternative A describes a task performed by middle managers. PTS:

1 REF: p. 7 OBJ: 3 MSC: Remember

21. In 2003, ABC Tools decided to modernize the look of its products by redesigning its packaging. Who would be responsible for implementing this change?

- a. middle-level management
- b. first-line management
- c. team leaders
- d. product supervisors

ANS: A

Middle managers implement the strategies needed to achieve top management's goals. PTS: 1 REF: p. 7 OBJ: 3 MSC: Remember

22. Which of the following job responsibilities is typically fulfilled by a middle manager for a manufacturing firm?

- a. monitoring how consumers feel about environmental waste
- b. scheduling vacation time for employees

- c. determining how the company will implement a plan calling for a 10 percent decrease in costs
- d. maintaining a positive organizational culture

ANS: CPTS: 1REF: p. 7OBJ: 3 MSC: Higher-Order

23. Which duty outlined below would be performed by a top manager for a management consulting firm?

- a. establishing a positive organizational culture.
- b. ensuring that employees are attired according to the company dress code
- c. evaluating the performance of individual consultants
- d. monitoring expense statements turned in by consultants

ANS: APTS: 1REF: p. 7OBJ: 3 MSC: Higher-Order

24. The chairs of the accounting, marketing, and communications departments at a typical university are managers. Which title best describes them?

- a. supervising manager
- b. first-line manager
- c. middle-level manager
- d. department manager

ANS: BPTS: 1REF: p. 7OBJ: 3 MSC: Remember

25. In a police department, who is typically responsible for determining which police officers will work overtime?

- a. middle managers

- b. administrative managers
- c. first-line managers
- d. team leaders

ANS: A Middle managers are responsible for planning and implementing subunit strategies for achieving the objectives of top managers. PTS: 1REF: p. 7OBJ: 4MSC: Remember

26. Which of the following is typically responsible for creating a positive organizational culture through language and action?

- a. top managers
- b. middle managers
- c. team leaders
- d. group facilitators

ANS: APTS: 1REF: p. 7OBJ: 3 MSC: Remember

27. Which of the following titles represents the level of a marketing manager?

- a. supervising manager
- b. top manager
- c. middle manager
- d. department manager

ANS: C The marketing department is a division. A division manager is a middle manager. PTS: 1REF: p. 7OBJ: 3MSC: Higher-Order

28. Which of the following terms would typically be used to describe the position of a human resource manager?

- a. supervising manager
- b. top manager
- c. middle-level manager
- d. department manager

ANS: C

The human resource department is a division. A division manager is a middle-level manager. PTS: 1 REF: p. 7 OBJ: 3 MSC: Higher-Order

29. Which of the following is typically responsible for setting objectives consistent with organizational goals and then planning and implementing the subunit strategies for achieving these goals?

- a. top managers
- b. first-line managers
- c. team leaders
- d. middle managers

ANS: D PTS: 1 REF: p. 7 OBJ: 3 MSC: Remember

30. Which of the following functions is typically performed by a middle manager?

- a. responding to customer complaints
- b. coordinating groups and departments
- c. ensuring printers, faxes, and other office machines are maintained regularly
- d. setting long-term strategies for the organization

ANS: B PTS: 1 REF: p. 7- 8 OBJ: 3 MSC: Remember

31. Which of the following typically coordinate and link groups, departments, and divisions within a company?

- a. top managers
- b. middle managers
- c. team leaders
- d. first-line managers

ANS: BPTS: 1REF: p. OBJ: 3 MSC: Remember

32. Which of the following is typically responsible for developing intermediate plans, designed to produce results within 6 to 18 months?

- a. middle managers
- b. first-line managers
- c. group facilitators
- d. team leaders

ANS: APTS: 1REF: p. OBJ: 3 MSC: Remember

33. Which of the following tasks are first-line managers most likely to perform?

- a. reviewing the performance of corporate investments
- b. encouraging, monitoring, and rewarding employee performance
- c. determining how to deal with long-term environmental changes
- d. periodically observing the company's organizational culture

ANS: BPTS: 1REF: p. 8OBJ: 3 MSC: Remember

34. Which of the following typically train and supervise the performance of nonmanagerial employees and are directly responsible for producing the company's products or services?

- a. general managers
- b. middle managers
- c. first-line managers
- d. team leaders

ANS: CPTS: 1REF: p. OBJ: 3 MSC: Remember

35. At which level of management would a manager typically plan an employee picnic, select and order performance awards to be presented at the picnic, and encourage workers to attend the event?

- a. marketing
- b. first-line
- c. top
- d. middle

ANS: B

One of the duties of the first-line manager is to reward the performance of others. PTS: 1REF: p. 8OBJ: 3MSC: Remember

36. Walker supervises operations on the chassis assembly line for a large vehicle manufacturer. Most of his time is spent on ensuring quality control maintenance, scheduling workers, and training new employees. What type of manager is he?

- a. first-line manager

- b. middle manager
- c. team leader
- d. group facilitator

ANS: APTS: 1REF: p. 8OBJ: 3 MSC: Remember

37. Which of these tasks would a first-line manager for a large electric generator manufacturer do?

- a. monitor how its customers feel about electric-powered engines
- b. determine whether the company needs to increase its production by adding a shift
- c. monitor and manage the performance of the company's international subsidiaries
- d. manage the performance of employees who build the generators

ANS: DPTS: 1REF: p. 8OBJ: 3 MSC: Remember

38. In a fast-foodrestaurant, which of the following individuals is responsible for placing orders for food and paper supplies and for setting up weekly work schedules?

- a. corporate vice president
- b. middle manager
- c. first-line manager
- d. top manager

ANS: CPTS: 1REF: p. 8OBJ: 3 MSC: Remember

39. Which of the tasks listed below will middle managers most likely have to perform?



- a. facilitating a bottom-up planning approach to supervising
- b. managing the performance of entry-level employees
- c. implementing the changes generated by top managers
- d. developing employees' commitment to and ownership of the company's performance

ANS: CPTS: 1REF: p. 7OBJ: 3 MSC: Higher-Order

40. A shoe company expects its designers to operate like a team when they create new shoe designs. Most of its designers do not have a background in fashion, so it is important that they share their expertise.

Which of the following tasks would each team leader most likely be responsible for?

- a. developing organizational codes of ethics
- b. managing external and internal team relationships
- c. developing growth strategies
- d. coordinating the performances of all teams

ANS: BPTS: 1REF: p. 9OBJ: 3 MSC: Higher-Order

41. Which of the following is a typical responsibility of a corporate team leader?

- a. conducting quality control audits
- b. managing external and internal relationships
- c. acting as a department liaison
- d. overseeing strategy implementation

ANS: BPTS: 1REF: p. 9OBJ: 3 MSC: Remember

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42. Which of the following responsibilities would be typical of a team leader in business?

- a. managing internal and external relationships
- b. monitoring and managing the performance of subunits
- c. making detailed schedules and operating plans
- d. monitoring the organizational culture

ANS: APTS: 1REF: p. 9OBJ: 3 MSC: Higher-Order

43. According to Henry Mintzberg, which are the three major roles that managers fulfill while performing their jobs?

- a. informational roles, interpersonal roles, and decisional roles
- b. informational roles, ethical roles, and action roles
- c. informational roles, corporate roles, and coordination roles
- d. informational roles, decisional roles, and organizational roles

ANS: APTS: 1REF: p. 10OBJ: 3 MSC: Remember

44. Which of the following is an example of an interpersonal role?

- a. figurehead
- b. monitor
- c. disseminator
- d. spokesperson

ANS: A The other interpersonal roles are leader and liaison.

PTS: 1REF: p. 10OBJ: 3MSC: Remember

45. The marketing manager of ABC Silverware was asked to meet with the organization's research and development department to explain why the company needed to change its 25-year-old package design for cutlery. Which is the interpersonal role the marketing manager would take on in this situation?

- a. liaison
- b. disseminator
- c. figurehead
- d. resource allocator

ANS: A In a liaison role, managers deal with people outside their units. PTS: 1 REF: p. 10 OBJ: 3 MSC: Remember

46. Habitat for Humanity founder Millard Fuller was forced into assuming a figurehead role after hiring a new managing director. What did Fuller most likely do in this new role?

- a. He distributed critical information to employees.
- b. He monitored the environment.
- c. He helped the organization adapt to incremental changes.
- d. He performed ceremonial duties such as greeting company visitors.

ANS: D The figurehead role is an interpersonal role in which the manager in that role represents the company in various ways to the external environment. PTS: 1 REF: p. 10 OBJ: 3 MSC: Remember

47. At the death of her husband, Miriam McAllister became the CEO of a company that is the world's leading manufacturer of kidney dialysis

machines. When she took the position, it was believed that she would perform only ceremonial duties and would not want to take active part in running the company. In other words, it was assumed she would choose which of the roles identified below?

- a. resource allocator
- b. monitor
- c. spokesperson
- d. figurehead

ANS: D It was assumed that McAllister would perform ceremonial duties. PTS: 1 REF: p. 10 OBJ: 3 MSC: Remember

48. Henry Mintzberg would describe Lorenzo Fluza, the owner and CEO of the company that makes Camper shoes, as taking a leader role within the organization. In this role, how does Lorenzo Fluza spend much of his time?

- a. negotiating
- b. responding to instrumental change
- c. performing ceremonial duties
- d. motivating and encouraging employees.

ANS: D PTS: 1 REF: p. 10 OBJ: 3 MSC: Remember

49. A marketing manager was hired by a plumbing fixtures manufacturer to operate information booths at more than 20 different international trade shows annually. As described by Henry Mintzberg, which managerial role would this marketing manager have?

- a. resource allocator

- b. figurehead
- c. communicator
- d. spokesperson

ANS: D

In the spokesperson role, managers share information with people outside the firm. PTS: 1 REF: p. 11 OBJ: 4 MSC: Higher-Order

50. In a speech delivered to a forum for retail leaders, Dr. Hans-Joachim Koerber stated, “ Sustained growth is essential. Sustaining growth is a challenge for virtually every company. ” What informational role did Dr. Koerber assume?

- a. liaison
- b. resource allocator
- c. figurehead
- d. spokesperson

ANS: D In the spokesperson role, managers share information with people outside their company. PTS: 1 REF: p. 11 OBJ: 4 MSC: Higher-Order

51. The Ambulatory Care Nursing Association’s (ACNA) board of directors made a commitment to ask their members for feedback about their experiences with and perceptions of ACNa. The head of the organization volunteered to conduct the environmental scanning and share what she learned with the others. Which informational roles did the head of the organization assume?

- a. liaison and spokesperson

- b. liaison and resource allocator
- c. monitor and disseminator
- d. monitor and negotiator

ANS: C In the monitor role, she conducts environmental scanning.

In the disseminator role, she shares what she has learned

d. PTS: 1 REF: p. 11 OBJ: 4 MSC: Higher-Order

52. After the death of her husband, Miriam McAllister became the CEO of a company that is the world's leading manufacturer of kidney dialysis machines. Even though she was not expected to, she was quick to ask company employees to develop ideas for new products that would lead to organizational growth in a changing environment. What decisional role did McAllister assume?

- a. leader
- b. disseminator
- c. resource allocator
- d. entrepreneur

ANS: D In the entrepreneur role, managers adapt themselves, their subordinates, and their units to incremental change. PTS: 1 REF: p. 11 OBJ: 4 MSC: Higher-Order

53. In what decisional role do managers adapt themselves, their subordinates, and their units to incremental change?

- a. resource allocator
- b. entrepreneur

- c. disturbance handler
- d. liaison

ANS: BPTS: 1REF: p. 11OBJ: 4 MSC: Remember

54. Spiegel announced to the media that it was close to completing its corporate restructuring and that after filing its proposed joint plan of reorganization, would be one step closer to emerging from Chapter 11 status.

According to Henry Mintzberg, which managerial role would have been adopted in order to make this announcement?

- a. disturbance handler
- b. controller
- c. spokesperson
- d. entrepreneur

ANS: C The spokesperson shares information with people outside the company. PTS: 1REF: p. 11OBJ: 4MSC: Higher-Order

55. Connie O'Day is a middle-level manager for the publishers of Free Spirit magazine, a publication targeted to women who are not worried about finding a husband or maintaining a house and garden. She spends much of her day conducting interviews with groups of women to determine what they consider most important in their lives. She also keeps an eye on the sales and content of other women's magazines. Which informational role does O'Day perform?

- a. entrepreneur

- b. monitor
- c. spokesperson
- d. liaison

ANS: B In the monitor role, managers scan their environments for information, actively contact others for information, and because of their personal contacts, receive a great deal of unsolicited information. PTS: 1 REF: p. 11 OBJ: 4 MSC: Higher-Order

56. Which informational role do managers play when sharing information they have collected with their subordinates and others in the company?

- a. monitor
- b. figurehead
- c. resource allocator
- d. disseminator

ANS: D PTS: 1 REF: p. 11 OBJ: 4 MSC: Remember

57. The sales manager is in charge of monitoring the expense accounts of her sales force. Which of the following roles is most closely associated with her actions?

- a. resource allocator
- b. entrepreneur
- c. disturbance handler
- d. disseminator

ANS: A A resource allocator decides who gets what resources. PTS: 1 REF: p. 12 OBJ: 4 MSC: Higher-Order



58. In Great Britain, Nestle introduced a candy bar called Yorkie with the slogan “ It’s not for girls! ” A furor arose over this sexist campaign. Which of the following roles were the British managers forced into?

- a. entrepreneurs
- b. disturbance handlers
- c. liaisons
- d. disseminators

ANS: B The disturbance handler role is played when managers must respond to severe problems that demand immediate attention. PTS: 1 REF: p. 2 OBJ: 4 MSC: Higher-Order

59. According to Henry Mintzberg, which role would a manager assume if trying to convince union members to accept a 25-cent-per-hour reduction in pay in order to keep the manufacturing plant open?

- a. resource allocator
- b. entrepreneur
- c. liaison
- d. negotiator

ANS: D

In the negotiator role, managers negotiate schedules, projects, goals, resources, and employee raises. PTS: 1 REF: p. 12 OBJ: 4 MSC: Remember

60. An accountant who has the ability to create a budget, compare the budget to the actual income statement, and determine unnecessary expenses exhibits which skill the MOST?

- a. technical skill
- b. human skill
- c. conceptual skill
- d. motivational skill

ANS: A Technical skills are the ability to apply the specialized procedures, techniques, and knowledge required to get the job done. PTS: 1 REF: p.

13OBJ: 4MSC: Remember

61. Which types of skills tend to be most important to the success of lower-level managers?

- a. decisional skills
- b. human skills
- c. motivation to manage
- d. technical skills

ANS: D PTS: 1 REF: p. 13OBJ: 4 MSC: Remember

62. Nextel put up a billboard in Cleveland advertising its wireless data service with a mannequin of a laptop user perched on top. The billboard caused fender-benders as drivers gawked, concerned that a distraught soul had climbed up and was ready to jump. Which kinds of skills would a Nextel marketing manager MOST need to determine that the mannequin was creating bad publicity for the company?

- a. informational
- b. conceptual
- c. interpersonal
- d. decisional

ANS: B Conceptual skills are the ability to see the organization as a whole and understand how its different parts have an impact upon one another and its environment. PTS: 1 REF: p. 14 OBJ: 5 MSC: Higher-Order

63. Creating a competitive advantage through people relies heavily on the use of which skill to reward people for providing exceptional customer service?

- a. motivation to manage
- b. conceptual skill
- c. interpersonal skill
- d. decisional skill

ANS: A PTS: 1 REF: p. 14 OBJ: 5 MSC: Higher-Order

64. Which types of skills tend to be equally important at all levels of management?

- a. technical skills
- b. human skills
- c. decisional skills
- d. motivation to manage

ANS: B PTS: 1 REF: p. 14 OBJ: 5 MSC: Remember

65. Martha has been with her company for 15 years. She started at the lowest level in manufacturing and worked her way up through all management levels. She is now the vice president of operations. Which skill was Martha most likely equally adept at through each level of her progress?

- a. technical skills

- b. human skills
- c. decisional skills
- d. motivation to manage

ANS: BPTS: 1REF: p. 14OBJ: 5 MSC: Remember

66. Which set of skills increases in importance to success as people rise through the managerial ranks?

- a. human skills and decisional skills
- b. informational skills and the motivation to manage
- c. conceptual skills and the motivation to manage
- d. conceptual skills, technical skills, and human skills

ANS: CPTS: 1REF: p. 14OBJ: 5 MSC: Remember

67. After the death of her husband, Miriam McAllister became the CEO of a company that is the world's leading manufacturer of kidney dialysis machines and encouraged its expansion into other hospital services. McAllister has almost doubled her company's revenues since she took control. Consider the studies of managers who fail (derailers) and managers who climb the organizational hierarchy (arrivers). What qualities did McAllister, as an arriver, likely exhibit?

- a. an inability to adapt her management style to what was needed by her subordinates
- b. sensitivity to others
- c. coldness, aloofness, and arrogance
- d. over-ambition

ANS: B The number one mistake made by derailers is their insensitivity to others. PTS: 1 REF: p. 16 OBJ: 6 MSC: Remember

68. Stan Dali was the most successful salesperson his realty company had ever hired. Although quickly promoted to sales manager, he was never able to reach any higher levels of management—he bullied his employees.

Dali is an example of which type of manager?

- a. the derailer
- b. the staller
- c. the failure
- d. the non-arriver

ANS: A A derailer is a manager who was successful at the beginning, but gets knocked off the fast track. PTS: 1 REF: p. 15 OBJ: 5 MSC: Higher-Order

69. There have been several studies of managers who fail (derailers) and managers who succeed in climbing the organizational hierarchy (arrivers).

Which of the following statements presents one fact learned from these studies?

- a. Arrivers differ significantly from derailers.
- b. Arrivers and derailers both possess two or more fatal flaws in how they manage people.
- c. The number one mistake of derailers is the failure to think strategically.
- d. Arrivers are sensitive to the feelings of others.

ANS: D Both arrivers and derailers are talente

d. Arrivers have weaknesses just like derailers. Arrivers typically have no more than one fatal flaw. The number one mistake of derailers is that they are insensitive to the needs of others. PTS: 1REF: p. 6OBJ: 6MSC: Remember

70. A successful manufacturer of fishing lures hired a new CEO who proved to be a derailer. What did the new CEO, as a derailer, most likely do?

- a. refuse to listen to the advice given him by the previous CEO
- b. show too much flexibility
- c. prefer to take the role of figurehead
- d. fail to think strategically

ANS: D One of many fatal flaws that derailers have is the inability to think strategically. PTS: 1REF: p. 15OBJ: 6MSC: Remember

71. There have been several studies of managers who fail (derailers) and managers who succeed in climbing the organizational hierarchy (arrivers). Which of the following statements describes a fact learned from these studies?

- a. Derailers are insensitive.
- b. Arrivers fail to inform others when work will not be done on time.
- c. Arrivers fail to admit mistakes.
- d. Arrivers fail to take responsibility for mistakes.

ANS: A The alternatives beginning “ Arrivers” describe derailers, not arrivers.

Arrivers have only one fatal flaw, and derailers have at least two fatal flaws.

PTS: 1REF: p. 16OBJ: 6MSC: Remember

72. As the shift supervisor at a car wash, Jakob is bossy, arrogant, and insensitive to the needs of his subordinates. He is unable to delegate any tasks to the other employees. Why will he more than likely never become a middle or top manager?

- a. He is a management laggard.
- b. He is a derailer.
- c. He does not understand the importance of synergy.
- d. He does not do hands-on work.

ANS: B He shows insensitivity to others, the number one mistake made by derailers. PTS: 1 REF: p. 16 OBJ: 6 MSC: Higher-Order

73. After six months in the role, what do new managers most typically believe their job is?

- a. to exercise formal authority
- b. to maintain control and avoid delegation
- c. to develop people's potential
- d. to solve problems for subordinates

ANS: D See also Exhibit 1. 4. PTS: 1 REF: p. 8 OBJ: 7 MSC: Remember

74. What do managers tend to do after their first year of managerial experience?

- a. They exercise more formal authority.
- b. They do less listening and more telling.
- c. They view themselves as the boss.
- d. They use more positive reinforcement.

ANS: D See also Exhibit 1. 4. PTS: 1REF: p. 18OBJ: 7MSC: Remember

75. After a year as a manager, what do new managers typically realize to be their job's most frequent role?

- a. troubleshooting
- b. managing tasks
- c. problem-solving
- d. developing people

ANS: D See also Exhibit 1. 4. PTS: 1REF: p. 18OBJ: 7MSC: Remember

76. According to Jeffrey Pfeffer, what should company managers focus on to be more competitive?

- a. understanding changes in demographics
- b. developing their management style
- c. serving as better spokespersons
- d. analyzing the competition

ANS: B Jeffrey Pfeffer contends that what separates top-performing companies from their competitors is the way they treat their workforces.

PTS: 1REF: p. 19OBJ: 8MSC: Remember

77. Leon Dodd is a member of a self-managed team at Standard Aero Alliance, In

c. (SAAI). His team's top priorities are understanding customer requirements and expectations.

What does it appear that SAAI is doing?

- a. using employee benchmarking



- b. allowing its employees to assume various decisional roles
- c. letting its teams handle all planning functions
- d. using its employees to create a competitive advantage

ANS: D The use of self-managed teams is one management practice suggested as a way to create a competitive advantage through employees.

PTS: 1 REF: p. 20 OBJ: 8 MSC: Higher-Order

78. A Fortune 500 management consulting firm conducts Project Management Preparatory Academies for its clients in which participants spend 70 hours learning how to create a differential competitive advantage through their employees. Which of the following most likely accounts for the participants' interest?

- a. The maintenance of employee relations is the latest trend in business.
- b. Satisfied employees yield satisfied customers.
- c. The participants' companies probably lack a competitive advantage.
- d. Employees need only job security to be satisfied in their work.

ANS: B Research indicates that managers have an important effect on customer satisfaction because they are responsible for how satisfied their employees are at their jobs. Satisfied employees provide much better customer service. PTS: 1 REF: p. 21 OBJ: 8 MSC: Higher-Order

Krispy Kreme has been described by many as "the hottest brand in America."

a. "The company's success in an environment that is not conducive to food operations succeeding is due to a mix of "shrewdness, original thinking, and entrepreneurship. The company originated in Winston-Salem, North Carolina,

where it still operates a plant that fills a 23 kg bag with donut mix every seven seconds. It recently opened a new plant in Effingham, Illinois, that fills a bag every three seconds. This second plant allows the company to reduce costs while increasing its output. Vernon Rudolph founded and ran the company until 1973, when he died without naming a successor. His death caused the company problems for the next decade.

79. Which of the following did the building of the Effingham plant increase for Krispy Kreme?

- a. effectiveness
- b. synergy
- c. advocacy
- d. efficiency

ANS: DPTS: 1REF: p. 4OBJ: 1 MSC: Higher-Order

80. Which management function had Rudolph FAILED to perform at the time of his death?

- a. planning
- b. controlling
- c. leading
- d. organizing

ANS: APTS: 1REF: p. 4OBJ: 2 MSC: Higher-Order

81. Which of the following tasks would Rudolph, as the CEO of Krispy Kreme, have been responsible for?

- a. developing employees' commitment to the company

- b. making sales calls
- c. ensuring that the baking ovens were operating efficiently on a daily basis
- d. sourcing new suppliers for the products' raw ingredients

ANS: APTS: 1REF: p. 7OBJ: 3 MSC: Higher-Order

82. As the entrepreneur who founded the company, Rudolph played which role?

- a. the managerial role
- b. the informational one
- c. the decisional role
- d. the organizational role

ANS: CPTS: 1REF: p. 13OBJ: 4 MSC: Higher-Order

83. According to the textbook, managers need four skills to be successful. The fact that Rudolph was a skilled baker indicates he had which type of skill?

- a. technical
- b. interpersonal
- c. conceptual
- d. human

ANS: APTS: 1REF: p. 15OBJ: 5 MSC: Higher-Order

In August 2005, Bernd Pischetsrieder, chief executive of Volkswagen (VW), announced further restructuring plans for the company.

VW is Europe's largest carmaker and needs to make itself profitable once again. To do so, VW will cut thousands of jobs in the coming years through natural attrition, early retirement, and buyouts of worker contracts. The carmaker is also considering whether its component parts factories in Brunswick, Kassel, and Wolfsburg are helping it accomplish its organizational goal. Pischetsrieder blames much of the company's problems on restructuring that was done in 1993. He insists that the company is missing a whole generation of managers because its former CEO eliminated a whole management layer.

Now, 45 percent of (current) managers will be going into retirement in the next three or four years.

84. What is VW examining in its component parts factories?

- a. efficiency
- b. synergy
- c. effectiveness
- d. autonomy

ANS: CPTS: 1REF: p. 4OBJ: 1 MSC: Higher-Order

85. The restructuring efforts MOST involve which of the management functions listed below?

- a. leading
- b. commanding
- c. allocating resources
- d. organizing

ANS: DPTS: 1REF: p. OBJ: 2 MSC: Higher-Order

86. Decisions about how to replace retiring managers involve which management function identified below?

- a. leading
- b. commanding
- c. allocating resources
- d. organizing

ANS: APTS: 1REF: p. 5OBJ: 2 MSC: Higher-Order

87. Bernd Pischetsrieder is an example of what role?

- a. supervisor
- b. middle manager
- c. team leader
- d. top manager

ANS: DPTS: 1REF: p. 6OBJ: 3 MSC: Higher-Order

88. In making his announcement about restructuring, which role did Bernd Pischetsrieder assume?

- a. figurehead
- b. spokesperson
- c. liaison
- d. monitor

ANS: BPTS: 1REF: p. 13OBJ: 4 MSC: Higher-Order

89. Bernd Pischetsrieder flew to Brussels to meet with employees at a VW plant and explain his plans for improving the company's profitability. In this example, the CEO assumed what role?

- a. figurehead
- b. spokesperson
- c. liaison
- d. disseminator

ANS: DPTS: 1REF: p. 12OBJ: 4 MSC: Higher-Order From the start, Amazon.com has been in a hurry to be a success. According to company founder and chief executive officer (CEO) Jeff Bezos, " Our initial strategy was very focused and very unidimensional. It was GBF: Get big fast. With billions to spend from its initial stock offering (Amazon's stock quickly rose to over \$100 per share), Amazon spent \$400 million to build eight high-tech warehouses across the country. Each was capable of shipping 60 million items per year, and Amazon needed to control the entire buying transaction, beginning with online ordering, proceeding to quick warehouse handling and boxing, and ending with timely shipping and delivery. Unfortunately, Amazon grew so fast that it soon lost control of the basics. Amazon burned money so quickly that it had to issue bonds to raise another \$2. 2 billion to keep the company running.

Still, it had only enough business and cash to run six of those new warehouses. Consequently, the company took a \$400 million loss to close two of the warehouses and lay off 1, 500 people. Furthermore, the six

remaining warehouses were poorly run. Defective products, which should have been returned to manufacturers, sat on the shelves wasting space.

Mystery orders kept showing up. Instead of declining the deliveries, workers put whole truckloads of unordered items on the shelves. Amazon had so much unsold inventory in its warehouses that CEO Bezos sent out an e-mail with a point-blank message, “ Get the crap out. Amazon’s problem was not its sales, which were growing exponentially, but rather in poor management. As a result, its stock, once valued at over \$100 per share, dropped to a low of \$6. Amazon has lost more than \$3 billion since its inception. As for profits, founder Bezos cautioned patience. Although the company has finally earned its first profits, that profit amounted to only \$5 million on \$1. 12 billion in sales in its fourth quarter, and Amazon still lost \$45 million for the year. Furthermore, it still has long-term debt of \$2. 2 billion to pay off at the rate of \$120 million per year.

Results like these would have cost any other CEOs their jobs. If Amazon is ultimately to survive and be profitable, what does it need to do to become a more efficiently run company?

90. CEO Jeff Bezos must wrestle with basic management issues, such as how to get more done at Amazon with a minimum of effort, expense, or waste. In other words, which of the following will be the goal of the CEO’s management strategy?

- a. increasing effectiveness
- b. finding synergies
- c. making the company more environmentally friendly

- d. increasing efficiency

ANS: DPTS: 1REF: p. 4OBJ: 1 MSC: Higher-Order

91. Which traditional management function was key in achieving the goal of getting rid of thousands of dollars worth of unsold inventory?

- a. organizing
- b. leading
- c. planning