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| 1. “How does the competitive landscape shape the potential for success or failure?” Which of the following pillars of managing organizations addresses this question?

|  |  |  |
| --- | --- | --- |
|   | a.  | Strategic positioning |
|   | b.  | Organizational design |
|   | c.  | Individual leadership |
|   | d.  | Shareholder value |

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| --- | --- |
| *ANSWER:* | a |

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| 2. Which of the following questions is addressed by the organizational perspective of management?

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| --- | --- | --- |
|   | a.  | How should a business compete? |
|   | b.  | How will performance be measured? |
|   | c.  | What strategy will allow a firm to adapt as the context evolves? |
|   | d.  | How do managers use power and influence? |

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| *ANSWER:* | b |

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| 3. After hiring a consultant, a senior management team realized that the organization’s structure did not enable proper usage of its resources and the culture was not reinforcing employee performance. Which of the following pillars of managing organizations has the organization failed to consider?

|  |  |  |
| --- | --- | --- |
|   | a.  | Strategic positioning |
|   | b.  | Organizational design |
|   | c.  | Individual leadership |
|   | d.  | Organizational climate |

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| --- | --- |
| *ANSWER:* | b |

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| 4. Z-Gadgets often faces opposition when it goes into a community to open a new Z-Gadgets store. One reason for this is that the management of Z-Gadgets has been accused of unethical acts, such as discriminating against women and minorities. The top managers' poor treatment of women and minority employees might be considered a failure with respect to what area of managing organizations?

|  |  |  |
| --- | --- | --- |
|   | a.  | Strategic positioning |
|   | b.  | Organizational design |
|   | c.  | Individual leadership |
|   | d.  | Shareholder value |

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| --- | --- |
| *ANSWER:* | c |

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| 5. Which of the following statements about the three pillars of management is true?

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| --- | --- | --- |
|   | a.  | The interaction between the three pillars of management is a linear process. |
|   | b.  | The strategic perspective involves developing and aligning the organizational components to achieve strategic objectives. |
|   | c.  | The interplay of strategy, organizational design, and individual action operates within a broad contextual landscape. |
|   | d.  | Individual leadership addresses the impact of globalization on competitive positioning of a business. |

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| --- | --- |
| *ANSWER:* | c |

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| 6. One increasingly popular acronym that captures the context in which today's organizations compete is VUCA. Which of the following is NOT a term that the letters of VUCA represent?

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| --- | --- | --- |
|   | a.  | Volatile |
|   | b.  | Uncertain |
|   | c.  | Competitive |
|   | d.  | Ambiguous |

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| --- | --- |
| *ANSWER:* | c |

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| 7. Which of the following is the most important skill of a middle-level manager?

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| --- | --- | --- |
|   | a.  | Technical skills to earn credibility of his/her team |
|   | b.  | Interpersonal skills such as motivating and developing teams |
|   | c.  | Setting vision and objectives for the organization |
|   | d.  | Conceptual skills for developing the organization’s strategy |

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| *ANSWER:* | b |

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| 8. Which of the following individuals is the best example of a frontline supervisor?

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| --- | --- | --- |
|   | a.  | A person who, along with other senior executives, develops the organization’s strategy using conceptual skills |
|   | b.  | A person who develops and motivates his team using interpersonal skills |
|   | c.  | A person who focuses on technical issues to ensure that operations are running smoothly |
|   | d.  | A person who sets the vision and objectives of an organization |

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| --- | --- |
| *ANSWER:* | c |

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| 9. John is a top executive in an organization. He is involved in developing and improving the organization's strategy by working along with other senior executives. From this scenario, it can be inferred that John uses the \_\_\_\_\_\_\_ of management.

|  |  |  |
| --- | --- | --- |
|   | a.  | technical skills |
|   | b.  | conceptual skills |
|   | c.  | interpersonal skills |
|   | d.  | behavioral skills |

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| --- | --- |
| *ANSWER:* | b |

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| 10. The factor that distinguishes leadership from management is that

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|   | a.  | leadership focuses on planning and budgeting. |
|   | b.  | leadership is the act of working with people to accomplish a desired goal. |
|   | c.  | leadership involves budgeting, controlling, and staffing resources. |
|   | d.  | leadership is the ability to drive change through motivation. |

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| *ANSWER:* | d |

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| 11. Helen, a senior executive, works with others to create the strategic positioning that will enable the firm to effectively compete in the marketplace. From this scenario, it can be inferred that Helen uses the \_\_\_\_\_\_\_ of management.

|  |  |  |
| --- | --- | --- |
|   | a.  | technical skills |
|   | b.  | conceptual skills |
|   | c.  | interpersonal skills |
|   | d.  | behavioral skills |

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| --- | --- |
| *ANSWER:* | c |

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| 12. Which of the following individuals is the best example of a senior executive?

|  |  |  |
| --- | --- | --- |
|   | a.  | A person who helps refine the organization’s strategy using conceptual skills |
|   | b.  | A person who develops and motivates his team using interpersonal skills |
|   | c.  | A person who focuses on technical issues to ensure that operations are running smoothly |
|   | d.  | A person who sets the vision and objectives of an organization |

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| *ANSWER:* | d |

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| 13. The frontline managers of a firm are feeling directionless and resistant to change. Middle management has failed in providing

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| --- | --- | --- |
|   | a.  | a plan. |
|   | b.  | a budget. |
|   | c.  | delegation of duties. |
|   | d.  | leadership. |

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| *ANSWER:* | d |

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| 14. Harry, a top manager of an organization, clearly differentiated the tasks and responsibilities of his employees. Moreover, he emphasized that top-level executives should do the planning and lower-level executives should execute those plans. Identify the management technique used by Harry.

|  |  |  |
| --- | --- | --- |
|   | a.  | Bureaucratic organization structure |
|   | b.  | Human relations movement |
|   | c.  | Scientific management |
|   | d.  | Contingent view |

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| --- | --- |
| *ANSWER:* | a |

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| 15. According to the contingent view,

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|   | a.  | organizations must be understood as systems of interdependent human beings. |
|   | b.  | jobs must be designed to improve productivity using industrial engineering methods. |
|   | c.  | coordination should take place through a strict hierarchy of authority. |
|   | d.  | the organization’s structure should fit the firm’s environment. |

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| *ANSWER:* | d |

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| 16. The factor that distinguishes the human relations movement from scientific management is that the human relations movement

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| --- | --- | --- |
|   | a.  | focuses on how jobs could be designed to improve productivity. |
|   | b.  | emphasizes the importance of informal social relations at work. |
|   | c.  | views the firm as a machine and the manager as a machine operator. |
|   | d.  | shifts emphasis from the social side of the firm to the output of the firm. |

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| *ANSWER:* | b |

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| 17. Which of the following statements best describes scientific management?

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| --- | --- | --- |
|   | a.  | It focuses on how jobs, work, and incentive schemes could be designed to improve productivity using industrial engineering methods. |
|   | b.  | It involves a clear differentiation of tasks and responsibilities among individuals and coordination through a strict hierarchy of authority and decision rights. |
|   | c.  | It holds the belief that organizations must be understood as systems of interdependent human beings who share a common interest in the survival and effective functioning of the firm. |
|   | d.  | It is a view of the firm where effective organizational structure is based on fit or alignment between the organization and various aspects in its environment. |

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| *ANSWER:* | a |

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| 18. Best Tools, a manufacturing company, needs to cut costs to remain competitive. The manager of the company believes that the answer lies in finding more efficient processes and is using time and motion studies to see where improvements can be made. This shows that the manager of Best Tools is using \_\_\_\_\_\_\_\_\_\_ to make strategic changes.

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| --- | --- | --- |
|   | a.  | technical skills |
|   | b.  | the contingency approach |
|   | c.  | contextual intelligence |
|   | d.  | scientific management |

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| *ANSWER:* | d |

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| 19. According to the \_\_\_\_\_\_\_\_\_\_ view of the firm, the job of top managers was to produce the highest possible stock market valuation of the firm’s assets.

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| --- | --- | --- |
|   | a.  | managerial |
|   | b.  | stakeholder |
|   | c.  | contingent |
|   | d.  | shareholder |

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| *ANSWER:* | d |

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| 20. Which of the following best describes the managerial view on the purpose of business?

|  |  |  |
| --- | --- | --- |
|   | a.  | A business framework where the job of top managers is to produce the highest possible stock market valuation of the firm’s assets |
|   | b.  | A business framework that attempts to organize and analyze multiple groups that interact with the firm |
|   | c.  | A business framework where organizational structure is based on fit between the organization and various aspects in its environment |
|   | d.  | A business framework where the firm is seen as a mechanism for converting raw materials into products to sell to customers |

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| *ANSWER:* | d |

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| 21. The \_\_\_\_\_ identifies and analyzes multiple groups that interact with the firm and attempts to align organizational practices to satisfy the needs of these various groups.

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|   | a.  | stakeholder view |
|   | b.  | contingent view |
|   | c.  | shareholder view |
|   | d.  | managerial view |

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| *ANSWER:* | a |

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| 22. Through \_\_\_\_\_\_\_\_\_\_, senior leaders of a corporation meet with business unit managers to assess progress toward specific goals.

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|   | a.  | contingency planning |
|   | b.  | scientific management |
|   | c.  | a strategic review process |
|   | d.  | scenario building |

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| *ANSWER:* | c |

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| 23. The first step of the stakeholder mapping process involves

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|   | a.  | identifying specific subgroups within each stakeholder. |
|   | b.  | mapping all of the stakeholder relationships relevant to the firm. |
|   | c.  | determining stakes for each stakeholder. |
|   | d.  | mapping connections between various stakeholders. |

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| *ANSWER:* | b |

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| 24. Forecasting the likely result that might occur when several events and stakeholders are linked together is known as

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|   | a.  | a strategic review process. |
|   | b.  | environmental scanning. |
|   | c.  | scenario building. |
|   | d.  | contingency planning. |

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| *ANSWER:* | c |

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| 25. Which of the following refers to the systematic assessment of the external environment to prepare for a possible range of alternative futures for the organization?

|  |  |  |
| --- | --- | --- |
|   | a.  | Scenario building |
|   | b.  | Trend analysis |
|   | c.  | Contingency planning |
|   | d.  | Environmental scanning |

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| *ANSWER:* | c |

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| 26. Henry, a manager of an automobile company, wants to know about the influence of various environmental factors on his organization and its stakeholders. He needs an appropriate tool to carry out this function, which in turn will help him predict stakeholder response. Which of the following tools will best serve this purpose?

|  |  |  |
| --- | --- | --- |
|   | a.  | Stakeholder mapping |
|   | b.  | Scientific management |
|   | c.  | Strategic positioning |
|   | d.  | Trend analysis |

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| *ANSWER:* | d |

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| 27. Fine Electronics, a manufacturing company, plans to secure new suppliers in Rhodia. Therefore, the manager of the company and its executives visit Rhodia to better understand its culture and explore opportunities. This shows that the manager of Fine Electronics is using \_\_\_\_\_\_\_\_\_\_ to make strategic changes.

|  |  |  |
| --- | --- | --- |
|   | a.  | technical skills |
|   | b.  | a contingency approach |
|   | c.  | contextual intelligence |
|   | d.  | scientific management |

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| --- | --- |
| *ANSWER:* | c |

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| 28. Which of the following best describes environmental scanning?

|  |  |  |
| --- | --- | --- |
|   | a.  | Forecasting and scanning the likely result that might occur when several events and stakeholders are linked together |
|   | b.  | A tool where key variables are monitored and modeled to help predict a change that might occur in the environment |
|   | c.  | The ability to understand the impact of environmental factors on a firm and the ability to understand how to influence those same factors |
|   | d.  | A tool that managers use to scan the business horizon for key events and trends that will affect the business in the future |

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| *ANSWER:* | d |

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| 29. Which of the following is a significant factor in building contextual intelligence?

|  |  |  |
| --- | --- | --- |
|   | a.  | Developing appreciation and awareness of history |
|   | b.  | Emphasizing the importance of informal social relations at work |
|   | c.  | Converting raw materials into products to sell to customers |
|   | d.  | Developing standardized rules and procedures |

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| *ANSWER:* | a |

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| 30. With regard to managing uncertainty, high uncertainty requires

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|   | a.  | less vigilance of contextual forces and less adaptation. |
|   | b.  | stronger vigilance of contextual forces and less adaptation. |
|   | c.  | less vigilance of contextual forces and more adaptation. |
|   | d.  | stronger vigilance of contextual forces and more adaptation. |

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| *ANSWER:* | d |

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| 31. Harriet, a manager of a steel company, wants to design formal processes and systems to deal with the firm's various stakeholders. Which of the following tools will best serve this purpose?

|  |  |  |
| --- | --- | --- |
|   | a.  | Stakeholder mapping |
|   | b.  | Scientific management |
|   | c.  | Strategic positioning |
|   | d.  | Trend analysis |

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| *ANSWER:* | a |

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| 32. The interaction between the formulation of strategy, the design of the organization, and the leadership of the firm is a linear process.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 33. Leadership is defined as the ability to drive change and innovation through inspiration and motivation.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| 34. To be successful, organizations need to develop and nurture managers and leaders at all levels of the organization, not just at the top.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 35. Bureaucratic organization structure involves vertical separation of planning and execution so that plans are made in the upper ranks of an organization and executed in the lower.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 36. The human relations movement emphasized the importance of informal social relations at work.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 37. Managerial view is a business framework where the job of top managers is to produce the highest possible stock market valuation of the firm’s assets.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 38. A stakeholder is any group or individual who can affect or is affected by the achievement of an organization’s purpose.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| 39. Describe the three pillars of managing organizations.

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| --- | --- |
| *ANSWER:* | The three pillars of managing organizations are strategic positioning, organizational design, and individual leadership. The strategic level or perspective will encompass an understanding of the environmental landscape in which businesses compete and the elements of strategy that help organizations align their resources for success in a changing context. Organizational design perspective involves developing and aligning the organizational components to achieve the strategic objectives. Finally, an organization is nothing more than a collection of individuals who come together to achieve a common goal or objective. |

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| 40. Differentiate between management and leadership.

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| *ANSWER:* | The distinction between management and leadership is often very subtle. In fact, most people use the terms interchangeably when they refer to the operation of a business. In a seminal analysis on the difference between managers and leaders, John Kotter noted that leaders set a direction for a firm, align people to focus on the organization’s vision, and motivate and inspire people. Conversely, he noted that managers generally focus their efforts on planning and budgeting, organizing and staffing resources, and controlling and problem solving. Management has generally been defined as the act of working with and through a group of people to accomplish a desired goal or objective in an efficient and effective manner. Leadership has been defined as the ability to drive change and innovation through inspiration and motivation. The development and execution of strategy requires the skills and expertise of leaders and managers, and both are equally important to an organization’s success. A vision or direction without a sound plan for execution is often merely a dream. The execution of a plan without a vision often lacks strategic or competitive advantage. |

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| 41. Briefly discuss the human relations movement.

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| *ANSWER:* | In the 1930s, theories of management shifted away from the view of the organization as a machine. During this period, the human relations movement emerged, which emphasized the importance of informal social relations at work. As opposed to scientific management’s view of the firm as a machine, human relations scientists believed that organizations must be understood as systems of interdependent human beings who share a common interest in the survival and effective functioning of the firm. Through the human relations movement, emphasis shifted from the output of the firm to the informal and social side of the firm. From this standpoint, organizations served as a means for people to interact and learn as well as produce a profit. |

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| 42. Define business environment and discuss the changing perspectives on the purpose of business.

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| *ANSWER:* | The business environment is the combination of all contextual forces and elements in the external and internal environment of a firm. Over the years, the view of how to approach the business environment and drive performance has changed.For a good part of the twentieth century, many managers subscribed to the managerial view of the firm, which saw the firm as a mechanism for converting raw materials into products to sell to customers. In this framework, managers focused on relationships between the firm and its suppliers, customers, owners, and employees.In the late 1960s, many managers began to view the firm through a more shareholder-focused lens. According to the shareholder view of the firm, the job of top managers was to produce the highest possible stock market valuation of the firm’s assets. The shareholder view of the firm reached its zenith during the 1980s, resulting in a substantial change in thinking about the purpose of business. As the shareholder view of the firm progressed, shareholders continued to push managers to achieve specific quarterly targets. The manager’s focus was stretched between dealing with new sources of external and internal complexity and dealing with pressure from shareholders to produce results. The combination of these forces led to the development of a new paradigm from which to view the firm.The stakeholder view of the firm emerged amidst this increasing complexity and turbulence in the economic environment. It is a business framework that attempts to organize and analyze multiple groups that interact with the firm. |

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| 43. Define stakeholder. What are the steps involved in stakeholder mapping?

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| *ANSWER:* | According to the stakeholder theory, “a stakeholder is any group or individual who can affect or is affected by the achievement of an organization’s purpose.”The first step of stakeholder mapping is to map all of the stakeholder relationships relevant to the firm. The next step in the mapping process is to identify specific subsets within stakeholders. The third step is to determine stakes for each stakeholder. The final step in stakeholder mapping involves defining connections between stakeholders. |

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