Short Answer Questions

Chapter 9 Ethics & Strategy

1. What is the difference between ethics and business ethics?

2. What are the strengths and weaknesses of the thesis that ethical standards are (or should be) universal?

3. Explain the difference between the school of ethical universalism and the school of ethical relativism.

4. What are the strengths and weaknesses of the beliefs and tenets underlying the school of ethical relativism?

5. Ethical relativism equates to multiple sets of ethical standards. True or false? Explain your answer.

6. What is meant by integrated social contracts theory? What is its contribution to the debate about ethical standards?

7. Explain the difference between ethical universalism and integrated social contracts theory. Which school of thought do you think is most valid? Explain the reasons for your answer.

8. Discuss briefly what is meant by the terms ethical universalism and ethical relativism. Where does integrated social contracts theory fit into the debate about ethical standards? Which of the three schools of thought stands on the strongest ground?

9. Explain the difference between an immoral manager and an amoral manager. Which type is more representative of the managerial population?

10. Identify and briefly explain the three categories of management morality.

11. What are the chief causes of unethical strategies and unethical business behavior?

12. Identify and briefly describe the three main drivers of unethical strategies and unethical managerial and business behavior.

13. What is the case for why business strategies should be ethical?

14. Identify the three types of business costs of ethical failures; provide examples for each type of cost.

15. Identify and briefly describe any three of the four approaches to managing a company’s ethical conduct?

16. Identify the four approaches to managing a company’s ethical conduct discussed in Chapter 9. Which of the four do you think makes the most sense? Why?

17. Identify the five main types of actions which a company can choose from in crafting a social responsibility strategy?

18. Explain how environmental sustainability strategies go about improving a company’s “Triple-P” performance—people, planet, and profit. Why is it important for strategy-makers to find points of intersection between society and the company’s ability to execute value chain activities or better serve customer needs?

19. What is the essence of the moral case for why a company should engage in socially responsible actions and environmentally sustainable business practices?

20. What is the essence of the business case for why a company should engage in socially responsible actions and environmentally sustainable business practices?
Chapter 8  DIVERSIFICATION

1. Identify and briefly discuss each of the three options for entering new businesses. Which one is the most popular in the sense of being used most frequently?

2. Carefully explain the difference between a strategy of related diversification and a strategy of unrelated diversification.

3. Which is the better approach to diversification—a strategy of related diversification or a strategy of unrelated diversification? Explain and support your answer.

4. What is meant by the term strategic fit? What are the advantages of pursuing strategic fit in choosing which industries to diversify into?

5. Discuss the pros and cons of a strategy of unrelated diversification.

6. Identify and briefly describe the six steps involved in evaluating a diversified company's business lineup and diversification strategy.

7. What does the industry attractiveness test evaluate a diversified company's business lineup? Why is it relevant?

8. What is the relevance of quantitatively measuring the competitive strength of each business in a diversified company's business portfolio and determining which business units are strongest and weakest?

9. Briefly explain what is meant by resource fit

9. What are the advantages and benefits of using an industry attractive-business strength matrix to evaluate a diversified company's lineup of businesses?

10. What is meant by the term resource fit as it applies to evaluating a diversified company's business lineup?

11. Explain the difference between a cash cow business and a cash hog business.

12. Shareholder interests are generally best served by concentrating corporate resources on businesses that can contend for market leadership. True or false? Explain your answer.

13. Why is it pertinent in evaluating a diversified company's business lineup to rank a diversified company's businesses on the basis of their future performance prospects?

14. Once a company has diversified into a collection of related or unrelated businesses and concludes that some strategy adjustments are needed, what are the five main strategic alternatives that it can employ to improve the performance of its overall business lineup?

15. Under what circumstances might an already diversified company chose to enter additional businesses and broaden its diversification base?

16. Under what circumstances might a diversified firm choose to divest one of its businesses?

17. Under what circumstances might an already diversified company chose to pursue corporate restructuring?

18. Identify and briefly describe at least four types of competitive advantages that can accrue to a multinational corporation pursuing related diversification.

19. A strategy of multinational diversification contains more built-in competitive advantage potential (above and beyond what is achievable through a particular business’s own competitive strategy) than any other diversification strategy. True or false? Explain and support your answer.
Chapter 10: Building the Organization

1. Who is involved in the strategy execution process and who is ultimately responsible for making sure that the task of implementing and executing strategy goes well?

2. What are the eight principal managerial components of the strategy-implementing/strategy-executing process?

3. Identify and briefly discuss the three facets of building an organization capable of proficient strategy execution.

4. Identify and briefly discuss four of the recommended practices companies have used to recruit and retain the best employees.

5. Identify and briefly discuss the three stages involved in building core competencies and capabilities.

6. Describe at least 3 traits or characteristics of a core competence—where in an organization can a core competence be found & what is involved in building & strengthening a core competence. Give three examples of core competence.

7. Explain what is involved in building an organization capability? What steps are required? How much time does it take? How hard is it? Support your answer.

8. Building competitively valuable core competencies, resource strengths, and organizational capabilities can be a fruitful avenue to achieving sustainable competitive advantage. True or false? Explain.

9. When it proves infeasible to outcompete rivals by crafting a superior strategy, the next best avenue to beating them out for industry leadership is to outexecute them—that is, beat them with superior strategy execution. True or false? Explain.

10. Identify and briefly discuss/explain three of the five components of structuring a company’s work effort to promote successful strategy execution.

11. What are the advantages of outsourcing non-critical and sometimes even critical value chain activities?

12. Explain the difference between a centralized and a decentralized organization structure. Which one is more likely to further the cause of good strategy execution? Why?

13. A decentralized organization structure is more likely to further the cause of good strategy execution than is a centralized organization structure. True or false? Justify your answer.

14. Identify and discuss the basic tenets, the chief advantages, and the chief disadvantages of centralized organizational structures.

15. Identify and discuss the basic tenets, the chief advantages, and the chief disadvantages of decentralized organizational structures.

16. What is meant by empowerment of employees? How does it differ from delegation of authority? In what ways can empowerment of employees aid the cause of good strategy execution?
Chapter 11: Five More Executing Strategy Elements

1. What is the role of budgets and resource allocation in successfully implementing and executing strategy? Why does a company's budget need to be closely linked to the needs of good strategy execution?

2. Identify and describe two ways that policies and procedures aid the task of implementing and executing strategy?

3. What is the value of total quality management from a strategy-executing standpoint? How does TQM differ from business process reengineering?

4. Explain what Six Sigma quality control programs are all about and how their use can contribute to a company's strategy execution effort.

5. What is the difference between Six Sigma DMAIC programs and Six Sigma DMADV programs?

6. What three principles underlie the statistical thinking of Six Sigma quality control programs?

7. Discuss how the Six Sigma process of define, measure, analyze, improve, and control (DMAIC) works. What is the logic underlying the DMAIC process?

8. While Six Sigma programs often improve the efficiency of many operating activities and processes, there is evidence that innovation can be stifled by Six Sigma programs. True or false? Explain.

9. What action steps can managers take to build a total quality culture and instill a strong commitment to continuously improving how strategy is being executed?

10. Give three examples of support systems that a company can install to support the execution of its strategy.

11. Discuss the type of control mechanisms that managers can use to monitor the performance of empowered employees.

12. The use of incentives and rewards is the single most powerful tool at management's disposal to win strong employee commitment to carrying out the strategic plan. True or false? Explain.

13. Give at least 3 non-monetary examples of motivation and rewards practices that have the capability to foster good strategy execution and explain how they act to produce such a result.

14. Why does it make sense to create some job anxiety, insecurity, and stress as part of a company's motivational and reward scheme for promoting competent strategy execution?

15. Discuss why it is generally undesirable for approaches to motivation, compensation, and people management to avoid the use of negative consequences or punishment if performance targets are not achieved or if particular people are habitual underperformers & why striking a balance between rewards & punishment may work better.

16. Focusing jobholders’ attention and energy on what to do as opposed to what to achieve makes the work environment results-oriented. True or false? Explain your answer.

17. In creating a strategy-supportive reward structure, it is important to define jobs and assignments in terms of the results to be accomplished not just in terms of the duties to be performed. True or false? Explain/justify answer.

18. Identify at least 5 guidelines for creating an incentive compensation system that will help drive successful strategy execution.
Chapter 12: Culture & Leadership

1. What is meant by the term corporate culture? Why is corporate culture an important factor in implementing and executing strategy?

2. Identify and briefly discuss four key features that can be used to describe the corporate culture of a company.

3. The core of a company’s corporate culture is a shared commitment to achieve the firm’s strategic and financial objectives. True or false? Justify your answer.

4. After a company’s corporate culture is established, what are four approaches that can be used to perpetuate the culture?

5. How can one tell whether a company has a strong or a weak corporate culture?

6. What are the characteristics of unhealthy cultures?

7. Briefly identify 3 types of unhealthy corporate cultures.

8. What are the distinctive features of high-performance corporate cultures?

9. What are the distinctive features of adaptive corporate cultures?

10. What are the benefits of a tight culture-strategy matchup?

11. The single most visible factor that distinguishes successful culture-change efforts from failed attempts is competent leadership at the top. True or false? Explain and justify your answer.

12. Identify and briefly discuss four steps that managers can take to change a culture that is out of step with the company’s strategy.

13. Give two examples of “symbolic” culture-changing actions and two examples of “substantive” culture-changing actions.

14. What is the difference between a code of ethics and a values statement? Discuss the different things that are covered in each.

15. What are the roles of a company’s CEO in leading the effort to operate the company’s business in an ethically principled fashion?

16. Values and ethical standards not only must be explicitly stated but they also must be deeply ingrained into the corporate culture. True or false? Explain.

17. To ensure the proficient implementation of strategy in an organization, top-level executives can best achieve this by delegating authority to middle and lower-level managers and by creating a sense of empowerment among employees. True or false? Explain and justify your answer.

18. What are the two things involved in the leadership challenge to consistently achieve good strategy execution?