

BUSA MT Exam Answers

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1. Strategy: Exhibit 5.1, The four basic strategies (pg 88)

Answer:

The four basic strategies, as outlined in the course material, are:

- **Cost Leadership:** Achieving the lowest operational cost in the industry to offer lower prices than competitors. This is effective in markets where price is a key competitive factor. (Reference: WEEK 1 LECTURE STRATEGY FOR BUSA 7250 SEP 25.md)
- **Differentiation:** Offering unique products or services that stand out from competitors, allowing for premium pricing. This requires innovation and strong brand identity.
- **Focus (Cost Focus):** Targeting a specific market segment and aiming to be the lowest-cost provider within that niche.
- **Focus (Differentiation Focus):** Targeting a specific market segment and offering unique features that fulfill the needs of that segment better than competitors.

Discussion: - These strategies help organizations position themselves in the market and gain competitive advantage.

- Cost leadership can be difficult to sustain if competitors find ways to lower their costs.
- Differentiation requires continuous innovation and marketing.
- Focus strategies are effective for specialized markets but may limit growth potential.
- In an engineering company, cost leadership might involve process optimization, while differentiation could mean offering specialized technical solutions.

Reference: WEEK 1 LECTURE STRATEGY FOR BUSA 7250 SEP 25.md

2. Strategy: Exhibit 5.8, Porter's Five Industry Forces (pg 101)

Answer:

Porter's Five Forces is a framework for analyzing the competitive environment of an industry. The five forces include: the intensity of industry competition, the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, and the threat

of substitute products or services. Each force shapes the strategic decisions organizations must make to achieve and sustain competitive advantage.

The intensity of industry competition determines how aggressively companies compete, which can affect pricing, innovation, and overall profitability. The threat of new entrants refers to how easy it is for new competitors to enter the market, which can erode market share and force existing firms to improve efficiency or differentiate their offerings. The bargaining power of buyers and suppliers influences the terms of trade, pricing, and quality; powerful buyers can demand lower prices or higher quality, while powerful suppliers can increase costs or limit supply. Finally, the threat of substitutes considers the likelihood that customers will switch to alternative products or services, which can limit the potential for profit.

This model is valuable because it encourages organizations to look beyond their direct competitors and consider broader industry dynamics. However, it can be challenging to apply in rapidly changing industries or where boundaries between industries are blurred. In an engineering company, for example, understanding supplier power and the threat of substitutes can be crucial for managing costs and maintaining technological relevance.

Reference: WEEK 1 LECTURE STRATEGY FOR BUSA 7250 SEP 25.md

3. Service Operations: ISO 9000, 14000, and, especially, 27000 ... What are these ISO standards and why might they be important to service operations? (pg 361)

Answer:

ISO 9000, 14000, and 27000 are international standards that provide frameworks for quality management, environmental management, and information security management, respectively. ISO 9000 focuses on ensuring that organizations consistently meet customer and regulatory requirements through effective quality management systems. ISO 14000 addresses environmental management, helping organizations minimize their environmental impact and comply with applicable laws. ISO 27000 is particularly important for information security, guiding organizations in protecting sensitive data and managing risks related to information systems.

These standards are significant for service operations because they establish best practices and benchmarks that can improve efficiency, reliability, and trust. For example, implementing ISO 9000 can help service organizations deliver consistent quality, while ISO 14000 demonstrates a commitment to environmental responsibility. ISO 27000 is increasingly vital as service operations rely more on digital information and face growing cybersecurity threats.

Adopting these standards can also enhance an organization's reputation and provide a competitive advantage, especially when clients or partners require certification as a condition of doing business. However, achieving and maintaining certification can be resource-intensive, requiring ongoing training, documentation, and audits. Despite these challenges, the benefits often outweigh the costs, particularly in industries where quality, environmental stewardship, or information security are critical.

Reference: LECTURE SEVEN - CHPT 16 - MANAGING INFORMATION.md

4. Leading Teams: Teams are an important part of professional services firms ... Ex 9.3, Stages of Team Development, pg 191; and Enhancing Work Team Effectiveness, pgs 193-197

Answer:

Teams play a crucial role in professional services firms, enabling organizations to tackle complex problems and drive innovation. The development of a team typically follows several stages: forming, storming, norming, performing, and adjourning. In the forming stage, members get to know each other and establish ground rules. The storming stage is marked by conflict as roles and relationships are clarified. As the team moves into the norming stage, cohesion and trust develop, and members begin to work more collaboratively. The performing stage is characterized by high efficiency and goal achievement, while the adjourning stage occurs when the team disbands after completing its objectives.

Enhancing work team effectiveness involves several key factors. Clear goals and well-defined roles help align team members and set expectations. Open communication fosters the sharing of ideas and feedback, while trust and cohesion build mutual respect and collaboration. Diversity within the team brings a range of perspectives and skills, contributing to better problem-solving. Accountability ensures that all members take responsibility for outcomes, which is essential for sustained performance.

Leaders play a vital role in guiding teams through these stages and promoting effectiveness. They must balance task-oriented and maintenance roles, facilitate communication, resolve conflicts, and motivate team members. Addressing challenges such as conflict management, social loafing, and groupthink proactively can help teams reach their full potential. In professional services, where teamwork is often central to delivering value, these practices are especially important for organizational success.

Reference: LECTURE 2 LEADING TEAMS CHPT 91.md

5. The Human Resource Management Process (Ex 10.1, pgs 200-210)

Answer:

The Human Resource Management (HRM) process is a comprehensive approach to managing people within an organization. It encompasses several key functions, including recruitment and selection, training and development, performance management, compensation and benefits, employee relations, and compliance with labor laws. Each of these functions plays a vital role in ensuring that the organization attracts, develops, and retains talented employees who contribute to its success.

Strategic HRM aligns human resource practices with the overall goals of the organization. This involves workforce planning, talent management, and succession planning to ensure the right people are in the right roles at the right time. By integrating HRM with organizational strategy, companies can gain a competitive advantage through effective talent utilization and development.

Legal and ethical considerations are also central to the HRM process. HR professionals must ensure compliance with employment laws and regulations, as well as promote fairness, transparency, and respect for diversity in all HR practices. Current trends in HRM include the use of technology for managing HR processes, a focus on diversity, equity, and inclusion, and increased attention to employee well-being and flexible work arrangements.

In summary, the HRM process is essential for building a productive, motivated, and legally compliant workforce. By addressing both strategic and operational aspects of people management, organizations can foster a positive work environment and drive long-term success.

Reference: WEEK ELEVEN LECTURE - HUMAN RESOURCES CHPT 10.md

6. Innovation and Change: The components of creative work environments (Ex 6.3, pg 115)?

Answer:

Creative work environments are essential for fostering innovation within organizations. Such environments are characterized by a culture that supports risk-taking, learning, and open communication. When employees feel safe to share new ideas without fear of criticism or failure, they are more likely to experiment and contribute to innovative solutions. Leadership plays a crucial role by encouraging creativity, providing necessary resources, and recognizing or rewarding innovative efforts.

Processes and structures within the organization also contribute to creativity. Cross-functional teams, for example, bring together diverse perspectives and expertise, which can spark new ideas and approaches. Idea management systems and continuous improvement processes help capture, evaluate, and implement creative suggestions from employees at all levels.

In addition, a creative work environment values diversity and inclusion, as different backgrounds and viewpoints can lead to more robust problem-solving. The organization must also be adaptable, willing to change, and responsive to both internal and external forces. These components collectively create a setting where innovation can thrive and become a sustained competitive advantage.

Reference: LECTURE CHPT 6 INNOVATION AND CHANGE FROM MGMT.md

7. The Experiential Approach to Innovation (Ex 6.4, pg 117)

Answer:

The experiential approach to innovation emphasizes learning through experience, experimentation, and iterative problem-solving. Rather than relying solely on structured planning or analysis, this approach encourages organizations to test new ideas in real-world settings, learn from successes and failures, and adapt accordingly. This process often involves trial and error, prototyping, and feedback loops, which help refine products, services, or processes over time.

A key benefit of the experiential approach is its ability to foster creativity and adaptability within teams. By allowing employees to experiment and take calculated risks, organizations can uncover novel solutions that might not emerge through traditional methods. This approach also helps organizations respond more effectively to changing environments, as continuous learning and adaptation are built into the innovation process.

However, the experiential approach can present challenges, such as managing uncertainty and allocating resources to projects that may not yield immediate results. Leaders must create a supportive culture that values learning from failure and encourages open communication. In engineering or technology-driven companies, this approach is particularly valuable for developing innovative products and staying ahead of competitors.

Reference: LECTURE CHPT 6 INNOVATION AND CHANGE FROM MGMT.md

8. Leaders Vs Managers (Slide from Lecture, text pg 274)

Answer:

Leaders and managers play distinct but complementary roles within organizations. Leadership is primarily concerned with setting a vision, inspiring others, and driving

change. Leaders focus on influencing people, motivating teams, and fostering innovation. They are often seen as agents of change who encourage new ideas and challenge the status quo to help organizations adapt and grow.

In contrast, management is centered on planning, organizing, and controlling resources to achieve specific objectives. Managers are responsible for establishing processes, maintaining order, and ensuring that day-to-day operations run smoothly. Their work is often more structured and focused on efficiency, consistency, and risk mitigation.

While the roles of leader and manager can overlap, effective organizations recognize the value of both. Leaders are essential for guiding organizations through change and uncertainty, while managers provide the stability and structure needed for consistent performance. In practice, the most successful individuals often blend leadership and management skills, adapting their approach to the needs of the situation and their teams.

Reference: LECTURE WEEK 6 CHPT 13 - LEADERSHIP.md

9. Path-Goal Leadership Theory (Ex 13.4, pg 285)

Answer:

The Path-Goal Leadership Theory is a situational approach that focuses on how leaders can help followers achieve their goals by clarifying the path and removing obstacles. According to this theory, leaders are most effective when they adapt their style to the needs of their team members and the specific situation. The leader's role is to provide direction, support, and resources, ensuring that employees understand what is expected of them and how to achieve desired outcomes.

There are several leadership styles within the Path-Goal Theory, including directive, supportive, participative, and achievement-oriented. Directive leaders provide clear instructions and expectations, which is helpful when tasks are ambiguous. Supportive leaders focus on the well-being and needs of their team, fostering a positive work environment. Participative leaders involve employees in decision-making, increasing engagement and commitment. Achievement-oriented leaders set challenging goals and encourage high performance.

The strength of the Path-Goal Theory lies in its flexibility and emphasis on adapting leadership behavior to the situation and the needs of followers. However, it can be challenging for leaders to accurately assess what style is most appropriate in a given context. In engineering or technical environments, for example, a combination of directive and achievement-oriented leadership may be effective for complex projects, while supportive leadership can help maintain morale during periods of stress.

Reference: LECTURE WEEK 6 CHPT 13 - LEADERSHIP.md

10. What are the three basic “needs” theories (pg 255), and how do they compare with the “content” theories of Equity and Expectancy (pg 258 & 262)?

Answer:

The three basic needs theories in motivation are Maslow’s Hierarchy of Needs, Alderfer’s ERG Theory, and McClelland’s Needs Theory. Maslow’s model proposes a progression of needs from physiological and safety to social, esteem, and self-actualization. Alderfer’s ERG Theory condenses these into existence, relatedness, and growth needs, allowing for more flexibility in how needs are pursued. McClelland’s theory focuses on the need for achievement, affiliation, and power, emphasizing that individuals are motivated by different needs to varying degrees.

In contrast, content theories like Equity and Expectancy focus on the processes that influence motivation. Equity Theory suggests that employees are motivated by fairness and compare their input-output ratios to those of others, which can affect satisfaction and performance. Expectancy Theory posits that motivation is a function of an individual’s belief that effort will lead to performance, performance will lead to outcomes, and those outcomes are valued.

While the needs theories explain what motivates people by identifying specific needs, Equity and Expectancy theories explain how motivation occurs by examining perceptions of fairness and the cognitive processes behind goal pursuit. In practice, managers can use both types of theories to design motivating jobs, set fair policies, and ensure that employees believe their efforts will be rewarded.

Reference: WEEK THREE LECTURE - MOTIVATION CHPT 12.md

11. What are the components of “Goal-Setting Theory” (pg 269)?

Answer:

Goal-Setting Theory posits that specific and challenging goals lead to higher levels of performance than vague or easy goals. The main components of this theory include goal specificity, goal difficulty, feedback, and commitment. Specific goals provide clear direction and measurable outcomes, while challenging goals motivate individuals to exert greater effort and persist in the face of obstacles.

Feedback is essential in the goal-setting process, as it allows individuals to track their progress and make necessary adjustments. Commitment to the goal is also critical; when individuals are genuinely invested in achieving a goal, they are more likely to stay focused

and overcome setbacks. Managers can enhance goal commitment by involving employees in the goal-setting process and ensuring that goals are perceived as attainable and meaningful.

Goal-Setting Theory is widely applied in organizational settings to improve motivation and performance. By setting clear, challenging goals and providing regular feedback, organizations can help employees achieve higher levels of productivity and satisfaction. In engineering or technical environments, this approach can be particularly effective for driving innovation and continuous improvement.

Reference: WEEK THREE LECTURE - MOTIVATION CHPT 12.md