

***Contemporary Management, 11e (Jones)***  
**Chapter 1 Managers and Managing**

1) At a recent staff meeting, Jeremy was praised by his CEO for choosing the right goals to pursue. The quality that Jeremy displays here is efficiency.

Answer: FALSE

Explanation: Effectiveness measures the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Understand

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2) Patel Brothers Company uses a formal system of task and reporting relationships that coordinates and motivates its employees so that they work together to achieve organizational goals. This is an example of an organizational structure.

Answer: TRUE

Explanation: An organizational structure coordinates and motivates members so they work together to achieve organizational goals.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

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3) As a middle manager, Jobeth selects the goals for her team. The task that Jobeth is demonstrating is called leading.

Answer: FALSE

Explanation: Managers use the planning task when they identify and select appropriate organizational goals and courses of action.

Difficulty: 2 Medium

Topic: Planning

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

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4) Categorizing people by salary levels lays out the lines of authority and responsibility between different individuals and groups.

Answer: FALSE

Explanation: Organizing people into departments according to the kinds of job-specific tasks they perform lays out the lines of authority and responsibility between different individuals and groups.

Difficulty: 1 Easy

Topic: Organizing

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

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5) Categorizing people by salary levels lays out the lines of authority and responsibility between different individuals and groups.

Answer: TRUE

Explanation: First-line managers are responsible for daily supervision of the nonmanagerial employees who perform the specific activities necessary to produce goods and services.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Remember

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6) The importance of planning, organizing, leading, and controlling remains the same irrespective of a manager's position in the managerial hierarchy.

Answer: FALSE

Explanation: The relative importance of planning, organizing, leading, and controlling—the four principal managerial tasks—to any particular manager depends on the manager's position in the managerial hierarchy. The amount of time managers spend planning and organizing resources to maintain and improve organizational performance increases as they ascend the hierarchy.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Remember

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7) If you were an accountant and spent your days working on spreadsheets on the computer, you would be using your technical skills.

Answer: TRUE

Explanation: Technical skills are the *job-specific* skills required to perform a particular type of work or occupation at a high level. Examples include a manager's specific manufacturing or accounting skills.

Difficulty: 2 Medium

Topic: Managerial skills

Learning Objective: 01-04 Distinguish among three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Understand

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8) When Company XYZ needed to reduce costs to meet its annual profitability goal, it reduced levels in its hierarchy and laid off ten percent of its workers. This is an example of restructuring.

Answer: TRUE

Explanation: Restructuring involves simplifying, shrinking, or downsizing an organization's operations to lower operating costs. It can be done by eliminating product teams, shrinking departments, and reducing levels in the hierarchy.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-04 Distinguish among three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Understand

AACSB: Knowledge Application

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9) A self-managed team is a group of employees who work independently but report to their respective managers about the progress of the team's work.

Answer: FALSE

Explanation: A self-managed team is a group of employees who assume collective responsibility for organizing, controlling, and supervising their own work activities.

Difficulty: 1 Easy

Topic: Types of groups

Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT).

Bloom's: Remember

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10) The building blocks of competitive advantage are efficiency, quality, innovation, and responsiveness to customers.

Answer: TRUE

Explanation: The four building blocks of competitive advantage are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers.

Difficulty: 2 Medium

Topic: Competitive environment

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Understand

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11) A(n) \_\_\_\_\_ is a collection of people who work together and coordinate their actions to achieve a wide variety of goals.

- A) control group
- B) talent pool
- C) organization
- D) focus group
- E) quality circle

Answer: C

Explanation: Organizations are collections of people who work together and coordinate their actions to achieve a wide variety of goals or desired future outcomes.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Remember

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12) Parul's job is to use planning, organizing, leading, and controlling resources to achieve the goals of her company. Parul is performing the four essential \_\_\_\_\_ tasks.

- A) marketing
- B) management
- C) finance and accounting
- D) operations
- E) entrepreneurial

Answer: B

Explanation: The job of management is to help an organization make the best use of its resources to achieve its goals. Managers do so by performing four essential managerial tasks: planning, organizing, leading, and controlling.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

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13) Sirita's manager is evaluating how well she uses available resources to satisfy customers and whether she is accomplishing organizational goals. This relates to Sirita's

- A) organizational input.
- B) diversification.
- C) organizational performance.
- D) product development.
- E) differentiation.

Answer: C

Explanation: Organizational performance is a measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

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14) Organizational performance is most likely to

- A) increase with an increase in efficiency and effectiveness.
- B) increase with a decrease in efficiency and effectiveness.
- C) remain unchanged with a decrease in efficiency and effectiveness.
- D) decrease with an increase in efficiency and effectiveness.
- E) remain unchanged with an increase in efficiency and effectiveness.

Answer: A

Explanation: Organizational performance increases in direct proportion to increases in efficiency and effectiveness.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

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15) \_\_\_\_\_ is the measure of how productively an organization uses its resources to achieve a goal.

- A) Effectiveness
- B) Product differentiation
- C) Efficiency
- D) Empowerment
- E) Outsourcing

Answer: C

Explanation: A measure of how well or how productively resources are used to achieve a goal is known as efficiency. Organizations are efficient when managers minimize the amount of input resources.

Difficulty: 1 Easy

Topic: Efficiency

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Remember

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16) \_\_\_\_\_ measures the appropriateness of the goals selected by management for the organization and the degree to which the organization accomplishes these goals.

- A) Efficiency
- B) Task management
- C) Effectiveness
- D) Diversification
- E) Differentiation

Answer: C

Explanation: Effectiveness measures the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.

Difficulty: 1 Easy

Topic: Controlling

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

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17) Pacific Tourism is an agency that offers special holiday packages in the Pacific region. Every year, as an incentive, the most efficient and effective manager in the network gets an all-expenses-paid trip to one of Oceania's islands. Which manager is most likely to meet these requirements?

- A) Norris, who chooses the right goals to pursue and spends more than he needs on resources
- B) Kato, who chooses the right goals to pursue and makes clever use of resources to achieve them
- C) Don, who chooses the right goals to pursue and displays an overly rigid approach to planning
- D) Bai, who chooses unrealistic goals and tries hard to succeed
- E) Leonard, who chooses appropriate goals, but is slow in decision making

Answer: B

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.

Difficulty: 3 Hard

Topic: Efficiency

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Apply

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18) Jack's Sprouts markets canned vegetables. In recent years, Jack's Sprouts' business has declined considerably owing to a weak focus on quality. Holding the managers responsible for the declining sales figures, the CEO of Jack's Sprouts decided to lay off those who lacked effectiveness and were inefficient. Which employee is most likely to be laid off by Jack's Sprouts' CEO?

- A) Eloise, who is ambitious and favors directional planning
- B) Kermit, who spends lavishly on resources and is averse to taking responsibilities
- C) Juanita, who chooses appropriate goals to pursue, but does not always succeed due to resource constraints
- D) Margot, who sets high targets for herself and her team, and makes the best use of available resources to meet them
- E) Andrew, who plans carefully and only chooses realistic goals to pursue

Answer: B

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. Kermit is neither efficient nor effective.

Difficulty: 3 Hard

Topic: Efficiency

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Apply

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19) China is a highly efficient manager. This implies that she

- A) minimizes the amount of input resources without compromising quality.
- B) is slow to respond to change and perceives organizational change as harmful.
- C) does not favor flexibility in planning.
- D) chooses appropriateness goals.
- E) works for longer hours than do most of her colleagues.

Answer: A

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.

Difficulty: 1 Easy

Topic: Efficiency

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Remember

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20) Ramses is a highly effective manager. This implies that he

- A) is likely to spend lavishly on resources.
- B) is highly compliant.
- C) disfavors employee empowerment.
- D) chooses appropriate goals and then achieves them.
- E) is overly ambitious.

Answer: D

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

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21) A company that has a high level of efficiency and effectiveness is most likely to produce a

- A) product that customers want, but that is too expensive for them to buy.
- B) quality product customers want and at a price they can afford.
- C) product that is expensive and nondurable.
- D) high-quality product that customers do not want.
- E) low-quality product that customers do not want.

Answer: B

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.

Difficulty: 2 Medium

Topic: Efficiency

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Understand

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22) A company with a high level of efficiency and a low level of effectiveness is most likely to produce a

- A) low-quality product that the company makes a profit on.
- B) high-quality product that the company makes a profit on.
- C) low-quality product that customers do not want.
- D) high-quality product that customers do not want.
- E) high-quality product that customers can afford.

Answer: D

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.

Difficulty: 2 Medium

Topic: Efficiency

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Understand

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23) Image Labs designs and develops imaging equipment. It has a low level of efficiency and high level of effectiveness, so it is most likely to produce a

- A) product that customers want, but that is too expensive for them to buy.
- B) quality product that customers want at a price they can afford.
- C) low-quality product that customers do not want.
- D) high-quality product that customers do not want.
- E) high-quality product that the company makes a profit on.

Answer: A

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.

Difficulty: 2 Medium

Topic: Efficiency

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Understand

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- 24) Dorcal, Inc. manufactures plastic components. The company has a low level of efficiency and low level of effectiveness, which means it is most likely to produce a
- A) product that customers want, but that is too expensive for them to buy.
  - B) quality product that customers want at a price they can afford.
  - C) low-quality product that customers do not want.
  - D) high-quality product that customers do not want.
  - E) high-quality product that the company makes a profit on.

Answer: C

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.

Difficulty: 2 Medium

Topic: Efficiency

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Understand

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- 25) Art Place makes and sells paintings, sculptures, and small craft items. Its products meet consumer needs, but they are often too expensive to buy. What is most likely to be true about the company?
- A) Its product manager achieves company goals and uses resources wisely.
  - B) Its product manager achieves company goals but uses resources inadequately.
  - C) Its product manager chooses the wrong goals to pursue and uses the resources inadequately.
  - D) Its product manager chooses the right goals to pursue and uses the resources wisely.
  - E) Its product manager chooses the wrong goals to pursue but uses resources wisely.

Answer: B

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.

Difficulty: 2 Medium

Topic: Efficiency

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Apply

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26) Managers select appropriate goals for the organization while performing the \_\_\_\_\_ managerial task.

- A) organizing
- B) leading
- C) planning
- D) controlling
- E) restructuring

Answer: C

Explanation: To perform the planning task, managers identify and select appropriate organizational goals and courses of action; they develop strategies for how to achieve high performance.

Difficulty: 1 Easy

Topic: Planning

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

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27) Planning in an organization involves

- A) establishing task relationships that allow people to work together.
- B) developing strategies for how to achieve high performance.
- C) motivating individuals to achieve organizational goals.
- D) establishing accurate measuring and monitoring systems.
- E) measuring how well the organization has achieved its goals.

Answer: B

Explanation: To perform the planning task, managers identify and select appropriate organizational goals and courses of action; they develop strategies for how to achieve high performance.

Difficulty: 1 Easy

Topic: Planning

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

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28) When performing the managerial task of planning, managers

A) encourage all employees to perform at a high level to help the organization achieve its vision and goals.

B) use power, personality, and communication skills to coordinate the activities of people and groups.

C) establish alliances between different organizations to share resources and produce new goods and services.

D) decide which goals the organization will pursue and what strategies will achieve those goals.

E) organize people into departments according to the kinds of job-specific tasks they perform.

Answer: D

Explanation: To perform the planning task, managers identify and select appropriate organizational goals and courses of action; they develop strategies for how to achieve high performance. The three steps involved in planning are (1) deciding which goals the organization will pursue, (2) deciding what strategies to adopt to attain those goals, and (3) deciding how to allocate organizational resources to pursue the strategies that attain those goals. How well managers plan and develop strategies determines how effective and efficient the organization is—its performance level.

Difficulty: 2 Medium

Topic: Planning

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

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29) Margene is the product manager at Fashions Ltd., a company that designs and manufactures clothes and fashion accessories. Noticing the rising popularity of rhinestone jewelry and the fact that only a handful of stores actually stocked it, she decides to take advantage of the latent demand in the market. Margene knows that she is taking a risk by committing organizational resources to pursuing this idea, but she is confident about the merit of her decision. In deciding the allocation of resources for attaining her goals, which managerial task is Margene performing?

- A) leading
- B) organizing
- C) planning
- D) restructuring
- E) controlling

Answer: C

Explanation: The three steps involved in planning are (1) deciding which goals the organization will pursue, (2) deciding what strategies to adopt to attain those goals, and (3) deciding how to allocate organizational resources to pursue the strategies that attain those goals.

Difficulty: 2 Medium

Topic: Planning

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Apply

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30) The three steps in planning are deciding which goals to pursue, deciding what strategies to adopt to attain those goals, and

- A) deciding how to best allocate resources to attain those goals.
- B) creating a system of task and reporting relationships to achieve those goals.
- C) determining how to motivate people to work together to achieve those goals.
- D) creating a clear vision so organizational members understand their roles in achieving those goals.
- E) evaluating how well the organization is achieving those goals.

Answer: A

Explanation: The three steps involved in planning are (1) deciding which goals the organization will pursue, (2) deciding what strategies to adopt to attain those goals, and (3) deciding how to allocate organizational resources to pursue the strategies that attain those goals.

Difficulty: 1 Easy

Topic: Planning

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

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31) In which managerial task are work relationships structured to facilitate the interaction and cooperative efforts of organizational members, all of whom strive to achieve organizational goals?

- A) planning
- B) leading
- C) reviewing
- D) controlling
- E) organizing

Answer: E

Explanation: Organizing is structuring working relationships so organizational members interact and cooperate to achieve organizational goals. Organizing people into departments according to the kinds of job-specific tasks they perform lays out the lines of authority and responsibility between different individuals and groups.

Difficulty: 1 Easy

Topic: Organizing

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

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32) Maria, the HR manager of a landscape design company, has been asked to increase the level of efficiency at the workplace. She decides to restructure work relationships within the company and categorize people into departments according to the kinds of job-specific tasks they perform. Which managerial task is Maria performing?

- A) planning
- B) leading
- C) organizing
- D) controlling
- E) consolidating

Answer: C

Explanation: Organizing is structuring working relationships so organizational members interact and cooperate to achieve organizational goals. Organizing people into departments according to the kinds of job-specific tasks they perform lays out the lines of authority and responsibility between different individuals and groups.

Difficulty: 2 Medium

Topic: Organizing

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

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33) \_\_\_\_\_ involves encouraging all employees to perform at a high level to help the organization achieve its vision and goals.

- A) Planning
- B) Leading
- C) Reviewing
- D) Controlling
- E) Organizing

Answer: B

Explanation: In leading, managers articulate a clear organizational vision for the organization's members to accomplish, and they energize and enable employees so everyone understands the part he or she plays in achieving organizational goals. Leadership revolves around encouraging all employees to perform at a high level to help the organization achieve its vision and goals.

Difficulty: 1 Easy

Topic: Leading

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

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34) Which managerial task does a manager perform when he/she articulates a clear organizational vision for the organization's members to accomplish?

- A) organizing
- B) leading
- C) staffing
- D) controlling
- E) planning

Answer: B

Explanation: In leading, managers articulate a clear organizational vision for the organization's members to accomplish, and they energize and enable employees so everyone understands the part he or she plays in achieving organizational goals.

Difficulty: 1 Easy

Topic: Leading

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

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35) Which manager is performing the managerial role of leading?

- A) Fred, who creates a system that coordinates and organizes the organization's members to work together to achieve goals
- B) Babette, who energizes employees and enables them to understand the part each of them plays in achieving organizational goals
- C) Horace, who decides which strategies the organization should pursue
- D) Hiroto, who takes corrective action needed to improve the performance of the organization
- E) Darlene, who decides how best to organize the human resources of the organization

Answer: B

Explanation: In leading, managers articulate a clear organizational vision for the organization's members to accomplish, and they energize and enable employees so everyone understands the part he or she plays in achieving organizational goals.

Difficulty: 3 Hard

Topic: Leading

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Apply

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36) Mei is a manager who uses her energetic personality and considerable persuasive skills to coordinate people and groups so their activities and efforts are in harmony. Mei exhibits the managerial skill of

- A) leading.
- B) planning.
- C) strategizing.
- D) reviewing.
- E) controlling.

Answer: A

Explanation: Leadership involves managers using their power, personality, influence, persuasion, and communication skills to coordinate people and groups so their activities and efforts are in harmony.

Difficulty: 2 Medium

Topic: Leading

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

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37) Managers are \_\_\_\_\_ when they evaluate how well the organization is accomplishing its goals.

- A) leading
- B) planning
- C) organizing
- D) disseminating
- E) controlling

Answer: E

Explanation: In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance.

Difficulty: 1 Easy

Topic: Controlling

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

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38) Controlling is the managerial task that involves

- A) deciding what organizational goals to pursue.
- B) obtaining customers by producing goods and services more cheaply than any competitor.
- C) taking any corrective actions needed to maintain or improve performance.
- D) using personality to establish equilibrium in the workplace.
- E) motivating people to perform at a high level.

Answer: C

Explanation: In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance.

Difficulty: 1 Easy

Topic: Controlling

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

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- 39) The outcome of the control process is the ability to
- A) measure performance accurately and regulate organizational efficiency and effectiveness.
  - B) formulate effective business strategies and plan the allocation of resources.
  - C) attract customers by producing goods and services more cheaply than any competitor.
  - D) motivate employees to perform at a high level.
  - E) decide what organizational goals to pursue.

Answer: A

Explanation: The outcome of the control process is the ability to measure performance accurately and regulate organizational efficiency and effectiveness. To exercise control, managers must decide which goals to measure.

Difficulty: 2 Medium

Topic: Controlling

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

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- 40) David, a manager at City Fish Shack, monitors the performance of workers in his department to see if the quality of their work is meeting the performance standards of the company. In doing so, which managerial task is David performing?

- A) planning
- B) staffing
- C) organizing
- D) structuring
- E) controlling

Answer: E

Explanation: In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance. Managers monitor the performance of individuals, departments, and the organization as a whole to see whether they are meeting desired performance standards.

Difficulty: 2 Medium

Topic: Controlling

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

41) Alison, vice president of Taco House, reviews the performance of her company over the last quarter to determine whether it is meeting the planned sales and profitability goals. In this instance, which managerial task is she performing?

- A) planning
- B) organizing
- C) delegating
- D) controlling
- E) structuring

Answer: D

Explanation: In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance.

Difficulty: 2 Medium

Topic: Controlling

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

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42) According to Mintzberg's typology, a manager who decides to expand internationally to obtain new customers is a(n)

- A) entrepreneur.
- B) negotiator.
- C) figurehead.
- D) liaison.
- E) disseminator.

Answer: A

Explanation: According to Henry Mintzberg, a manager who commits organizational resources to develop innovative goods and services or decides to expand internationally to obtain new customers for the organization's products is an entrepreneur.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

AACSB: Knowledge Application

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- 43) According to Mintzberg's typology, a manager who establishes agreements with other organizations about pooling company resources while working on joint projects is a(n)
- A) figurehead.
  - B) entrepreneur.
  - C) monitor.
  - D) negotiator.
  - E) disseminator.

Answer: D

Explanation: According to Henry Mintzberg, a manager who works with other organizations to establish agreements to pool resources to work on joint projects is a negotiator.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 44) According to Mintzberg's typology, a manager who evaluates the performance of other managers in different tasks and takes corrective action to improve their performance is a
- A) disseminator.
  - B) figurehead.
  - C) monitor.
  - D) spokesperson.
  - E) negotiator.

Answer: C

Explanation: Henry Mintzberg described a manager who evaluates the performance of other managers in different tasks and takes corrective action to improve their performance as a monitor.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

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45) José is the manager of Sandy's Candy, a popular confectioner in Illinois. He is in charge of outlining future organizational goals to employees at company meetings and emphasizing the ethical guidelines that employees are expected to follow at work. According to Mintzberg, he is performing the role of a

- A) figurehead.
- B) negotiator.
- C) monitor.
- D) liaison.
- E) resource allocator.

Answer: A

Explanation: A manager who demonstrates the role of a figurehead outlines future organizational goals to employees at company meetings, opens a new corporate headquarters building, and states the organization's ethical guidelines and the principles of behavior employees are to follow in their dealings with customers and suppliers.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

46) Following an oil spill in the Gulf of Mexico, the CEO of a petroleum company took the responsibility for correcting the environmental damages caused by his company. According to Mintzberg's typology, in doing so, he is performing the role of a

- A) liaison.
- B) disturbance handler.
- C) monitor.
- D) disseminator.
- E) figurehead.

Answer: B

Explanation: According to Mintzberg's typology, a disturbance handler moves quickly to take corrective action to deal with unexpected problems facing the organization from the external environment, such as a crisis like an oil spill, or from the internal environment, such as producing faulty goods or services.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

47) Madelyn informs employees about changes taking place in the external and internal environments that affect the sales of the company's products. She explains how the changes will also affect them and the organization. According to Mintzberg, she is playing the role of a(n)

- A) entrepreneur.
- B) disseminator.
- C) disturbance handler.
- D) monitor.
- E) liaison.

Answer: B

Explanation: According to Mintzberg, a manager who plays the role of a disseminator informs employees about changes taking place in the external and internal environments that will affect them and the organization and communicates to employees the organization's vision and purpose.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

48) The public relations manager of an oil company explained what the company intended to do to tackle the threat to marine life caused by an oil spill when one of its tankers crashed.

According to Mintzberg, the public relations manager is playing the role of a

- A) liaison.
- B) figurehead.
- C) leader.
- D) disseminator.
- E) spokesperson.

Answer: E

Explanation: According to Mintzberg, a spokesperson gives a speech to inform the local community about the organization's future intentions.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

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49) A large airline appointed an engineer to be the link between the company's research and development department and the government contractor who is sponsoring the designing and prototyping of a new fighter airplane. According to Mintzberg, the engineer appointed by the airline is in the role of a

- A) monitor.
- B) leader.
- C) figurehead.
- D) resource allocator.
- E) liaison.

Answer: E

Explanation: According to Mintzberg, in the role of a liaison, a manager establishes alliances between different organizations to share resources to produce new goods and services.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

50) Mintzberg's roles of monitor, disseminator, and spokesperson are all related to which managerial responsibility?

- A) decisional
- B) interpersonal
- C) intrapersonal
- D) controlling
- E) informational

Answer: E

Explanation: According to Mintzberg, the roles of monitor, disseminator, and spokesperson are all related to informational responsibilities.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

51) Huan, a manager, is working with her company's labor union to reach an agreement about pay increases and benefits for her employees. She is performing the role of negotiator, which is a(n) \_\_\_\_\_ responsibility, according to Mintzberg.

- A) decisional
- B) interpersonal
- C) intrapersonal
- D) controlling
- E) informational

Answer: A

Explanation: According to Mintzberg, the roles of entrepreneur, disturbance handler, resource allocator, and negotiator are all related to decisional responsibilities.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

52) Supervisors are also referred to as \_\_\_\_\_ managers.

- A) first-line
- B) middle
- C) top
- D) interim
- E) executive

Answer: A

Explanation: At the base of the managerial hierarchy are first-line managers, often called supervisors.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

53) What is a characteristic of first-line managers?

- A) They are responsible for finding the best way to organize human resources and other organizational assets.
- B) They evaluate whether the organization's goals are appropriate.
- C) They are responsible for daily supervision of the nonmanagerial employees.
- D) They instruct top managers on the suitability of organizational goals.
- E) They develop and fine-tune the skills and know-how of middle managers.

Answer: C

Explanation: At the base of the managerial hierarchy are first-line managers, often called supervisors. They are responsible for daily supervision of the nonmanagerial employees who perform the specific activities necessary to produce goods and services.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

54) First-line managers usually are

- A) responsible for finding the best way to organize human and other resources to achieve organizational goals.
- B) in all departments or functions of an organization.
- C) expected to make specific decisions about the production of goods and services.
- D) trained to evaluate whether the organization's goals are appropriate.
- E) able to instruct top managers on the suitability of organizational goals.

Answer: B

Explanation: At the base of the managerial hierarchy are first-line managers, often called supervisors. First-line managers work in all departments or functions of an organization.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 55) Middle managers are responsible for
- A) the daily supervision of the nonmanagerial employees.
  - B) fine-tuning and developing the skills of top managers.
  - C) establishing the organization's goals and visions.
  - D) finding the best way to use resources to achieve organizational goals.
  - E) creating the top-management team.

Answer: D

Explanation: Middle managers are responsible for finding the best way to organize human and other resources to achieve organizational goals. A major part of the middle manager's job is developing and fine-tuning skills and know-how, such as manufacturing or marketing expertise, that allow the organization to be efficient and effective.

Difficulty: 1 Easy

Topic: Middle-level management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 56) Middle managers are
- A) often called supervisors.
  - B) responsible for daily supervision of the nonmanagerial employees.
  - C) expected to make specific decisions about the production of goods and services.
  - D) responsible for the performance of all departments.
  - E) trained to establish long-term organizational goals.

Answer: C

Explanation: Supervising the first-line managers are middle managers, responsible for finding the best way to organize human and other resources to achieve organizational goals. Middle managers make many specific decisions about the production of goods and services.

Difficulty: 1 Easy

Topic: Middle-level management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

57) You have been put in charge of a manufacturing plant's new product line and need to choose first-line managers to supervise the line's workers. What level of manager are you?

- A) plant
- B) middle
- C) department
- D) product
- E) top

Answer: B

Explanation: Middle managers make thousands of specific decisions about the production of goods and services, including which first-line supervisors should be chosen for particular projects.

Difficulty: 2 Medium

Topic: Middle-level management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

58) Top managers are

- A) often called supervisors.
- B) responsible for daily supervision of the nonmanagerial employees.
- C) expected to spend more time leading and controlling than planning and organizing.
- D) not expected to establish organizational goals.
- E) tasked with cross-departmental responsibility.

Answer: E

Explanation: Top managers are responsible for the performance of all departments. They have cross-departmental responsibility.

Difficulty: 1 Easy

Topic: Top-level management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 59) Top managers are primarily concerned with
- A) supervising nonmanagerial employees.
  - B) training, motivating, and rewarding salespeople.
  - C) developing and fine-tuning employee skills.
  - D) supervising first-line managers.
  - E) deciding which goods a company should produce.

Answer: E

Explanation: Top managers establish organizational goals, such as which goods and services the company should produce; they decide how the different departments should interact; and they monitor how well middle managers in each department use resources to achieve goals.

Difficulty: 1 Easy

Topic: Top-level management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 60) To increase effectiveness, middle managers
- A) suggest ways to use resources to improve customer service.
  - B) evaluate whether the organization's goals are appropriate.
  - C) suggest ways to use resources to improve production.
  - D) suggest ways use resources to cut costs.
  - E) evaluate the performance of all departments.

Answer: B

Explanation: Top managers are responsible for the performance of all departments. To increase efficiency, middle managers find ways to help first-line managers and nonmanagerial employees better use resources to reduce manufacturing costs or improve customer service. To increase effectiveness, middle managers evaluate whether the organization's goals are appropriate and suggest to top managers how goals should be changed.

Difficulty: 2 Medium

Topic: Middle-level management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

61) Geraldo is a mechanical engineer who can examine and detect a problem, determine cause and effect, and provide a solution. This demonstrates \_\_\_\_\_ skill.

- A) human
- B) negotiation
- C) technical
- D) conceptual
- E) structural

Answer: D

Explanation: Conceptual skills are demonstrated in the general ability to analyze and diagnose a situation and to distinguish between cause and effect.

Difficulty: 1 Easy

Topic: Managerial skills

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

62) \_\_\_\_\_ skills are job-specific skills required to perform a particular type of work or occupation at a high level.

- A) Human
- B) Technical
- C) Conceptual
- D) Structural
- E) Departmental

Answer: B

Explanation: Technical skills are the job-specific skills required to perform a particular type of work or occupation at a high level.

Difficulty: 1 Easy

Topic: Managerial skills

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

63) The general ability to understand, alter, lead, and control the behavior of other workers is a \_\_\_\_\_ skill.

- A) conceptual
- B) human
- C) technical
- D) structural
- E) diagnostic

Answer: B

Explanation: Human skills include the general ability to understand, alter, lead, and control the behavior of other individuals and groups.

Difficulty: 1 Easy

Topic: Managerial skills

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

64) Brayden is being promoted to the position of manager of the engineering division in his company because of his knowledge and his ability to perform all the functions required in his field. In this instance, Brayden is being promoted because of his \_\_\_\_\_ skills.

- A) conceptual
- B) planning
- C) human
- D) technical
- E) leading

Answer: D

Explanation: Technical skills are the job-specific skills required to perform a particular type of work or occupation at a high level.

Difficulty: 2 Medium

Topic: Managerial skills

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

65) Which scenario shows a manager using human skills to put organizational resources to their best use?

- A) Marissa uses her marketing knowledge to develop the company's marketing plans.
- B) Hal's company sent him to a seminar to learn about total quality management in order for him to better help improve the products his company produces.
- C) Alison, a new product manager, is often tasked with forming interdepartmental teams due to her reputation for turning a group of employees from different departments into a cohesive team.
- D) Cho, a manager in Research and Development, works long hours to help develop new products that customers will find useful.
- E) Harlan is a manager at a restaurant, and the company's owner asked him to help design a new restaurant in the chain because Harlan has great design ideas.

Answer: C

Explanation: The ability to communicate, to coordinate, to motivate, and to mold individuals into a cohesive team distinguishes effective from ineffective managers.

Difficulty: 3 Hard

Topic: Managerial skills

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

66) A core competency is

- A) the specific set of departmental skills, knowledge, and experience that allows one organization to outperform another.
- B) the planning, organizing, leading, and controlling of human and other resources to achieve organizational goals efficiently and effectively.
- C) a measure of how efficiently and effectively a manager uses resources to satisfy customers and achieve organizational goals.
- D) a measure of the appropriateness of the goals an organization is pursuing and the degree to which the organization achieves those goals.
- E) the ability to analyze and diagnose a situation and to distinguish between cause and effect.

Answer: A

Explanation: Core competency refers to the specific set of departmental skills, knowledge, and experience that allows one organization to outperform its competitors.

Difficulty: 2 Medium

Topic: Competitive advantage

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

67) Because of financial problems in the organization, the top management of an investment bank decides to lower costs and downsize the business by

- A) insourcing.
- B) restructuring.
- C) task assessment.
- D) empowerment.
- E) delegation.

Answer: B

Explanation: Restructuring involves simplifying, shrinking, or downsizing an organization's operations to lower operating costs.

Difficulty: 2 Medium

Topic: Organizational change

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

68) Due to declining global sales, Cookies By Design announced that it would lay off 12 percent of its existing workforce over the next few months. This is an example of

- A) task assessment.
- B) insourcing.
- C) restructuring.
- D) outsourcing.
- E) empowerment.

Answer: C

Explanation: Restructuring involves simplifying, shrinking, or downsizing an organization's operations to lower operating costs.

Difficulty: 2 Medium

Topic: Organizational change

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

69) What is a consequence of restructuring?

- A) increase in the size of departments
- B) loss of jobs
- C) increase in hierarchical levels
- D) increase in customer satisfaction
- E) improvement in morale of employees

Answer: B

Explanation: Restructuring can be done by eliminating product teams, shrinking departments, and reducing levels in the hierarchy, all of which result in the loss of large numbers of jobs of top, middle, or first-line managers, as well as nonmanagerial employees.

Difficulty: 2 Medium

Topic: Organizational change

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

70) \_\_\_\_\_ involves contracting with another company, usually in a low-cost country abroad, to have it perform a work activity the organization previously performed itself.

- A) Empowering
- B) Outsourcing
- C) Stratifying
- D) Controlling
- E) Innovating

Answer: B

Explanation: Outsourcing involves contracting with another company, usually in a low-cost country abroad, to have it perform a work activity the organization previously performed itself, such as manufacturing, marketing, or customer service.

Difficulty: 1 Easy

Topic: Organizational change

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

71) Natalie, who supervises 15 people in her department, recently met with her superiors to discuss her performance as a supervisor in controlling the behavior of her direct reports. Getting this feedback will help her develop her \_\_\_\_\_ skills.

- A) job-specific
- B) conceptual
- C) human
- D) technical
- E) departmental

Answer: C

Explanation: Human skills include the general ability to understand, alter, lead, and control the behavior of other individuals and groups. Thorough and direct feedback about their job performance from superiors, peers, and subordinates allows managers to develop their human skills.

Difficulty: 2 Medium

Topic: Managerial skills

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

72) A car parts company decides to discontinue the production of its lowest-selling products and instead focuses on its areas of expertise. The company innovated a new automobile product with unique value. This is an example of using its

- A) competitive advantage.
- B) core competency.
- C) market power.
- D) management skills.
- E) management strategies.

Answer: B

Explanation: Management was focusing on the company's area of expertise. Core competency is a specific set of departmental skills, knowledge, and experience that allows one organization to outperform another.

Difficulty: 2 Medium

Topic: Competitive advantage

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

73) \_\_\_\_\_ is a management technique that involves giving employees more authority and responsibility over how they perform their work activities.

- A) Restructuring
- B) Outsourcing
- C) Empowerment
- D) Departmentalization
- E) Insourcing

Answer: C

Explanation: Empowerment is a management technique that involves giving employees more authority and responsibility over how they perform their work activities.

Difficulty: 1 Easy

Topic: Empowerment

Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT).

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

74) A \_\_\_\_\_ is a group of employees who assume collective responsibility for organizing, controlling, and supervising their own work activities.

- A) primary group
- B) self-managed team
- C) focus group
- D) restructured team
- E) functional team

Answer: B

Explanation: A self-managed team is a group of employees who assume collective responsibility for organizing, controlling, and supervising their own work activities.

Difficulty: 1 Easy

Topic: Self-managed teams

Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT).

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

75) A consequence of empowerment is a(n)

- A) decrease in number of managers.
- B) decrease in effectiveness.
- C) increase in performance.
- D) decrease in performance.
- E) increase in turnover.

Answer: C

Explanation: Empowerment is a management technique that involves giving employees more authority and responsibility over how they perform their work activities. Often companies find that empowering employees can lead to many kinds of performance gains and an increase in effectiveness and quality.

Difficulty: 2 Medium

Topic: Empowerment

Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT).

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

76) Self-managed teams assume many tasks and responsibilities previously performed by \_\_\_\_\_ managers, so a company can better utilize its workforce.

- A) middle
- B) top
- C) first-line
- D) department
- E) outsourced

Answer: C

Explanation: Self-managed teams assume many tasks and responsibilities previously performed by first-line managers, so a company can better utilize its workforce.

Difficulty: 2 Medium

Topic: Self-managed teams

Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT).

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

77) Barbara's Bangles outsells other jewelry designers in her town because it produces jewelry more efficiently and effectively than its competitors. This demonstrates the company's

- A) empowerment.
- B) competitive advantage.
- C) product diversification.
- D) stratification.
- E) innovation.

Answer: B

Explanation: A competitive advantage is the ability of one organization to outperform its competitors because it produces desired goods or services more efficiently and effectively than they do. The four building blocks of competitive advantage are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers.

Difficulty: 2 Medium

Topic: Competitive advantage

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

78) The four building blocks of competitive advantage are superior efficiency; speed, flexibility, and innovation; responsiveness to customers; and

- A) cost control.
- B) quality.
- C) future growth potential.
- D) geographic location.
- E) employee satisfaction.

Answer: B

Explanation: A competitive advantage is the ability of one organization to outperform its competitors because it produces desired goods or services more efficiently and effectively than they do. The four building blocks of competitive advantage are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers.

Difficulty: 1 Easy

Topic: Competitive advantage

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

79) Organizations increase their \_\_\_\_\_ when they reduce the quantity of resources (such as people and raw materials) they use to produce goods or services.

- A) cost control
- B) efficiency
- C) future growth potential
- D) effectiveness
- E) quality

Answer: B

Explanation: A competitive advantage is the ability of one organization to outperform its competitors because it produces desired goods or services more efficiently and effectively than they do. The four building blocks of competitive advantage are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers.

Difficulty: 1 Easy

Topic: Efficiency

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

80) One way to improve productivity is by \_\_\_\_\_, which gives employees the range of skills they need to perform different tasks.

- A) innovation
- B) empowerment
- C) cross-training
- D) total quality management (TQM)
- E) flexibility

Answer: C

Explanation: To increase efficiency, an organization can use cross-training to give employees the range of skills they need to perform different tasks.

Difficulty: 1 Easy

Topic: Efficiency

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

81) What technique involves organizing employees into quality control teams so they can find better ways to perform their jobs?

- A) functional organization
- B) total quality management
- C) flexible manufacturing
- D) self-managed teams
- E) quality stations

Answer: B

Explanation: A major thrust to improving quality has been to introduce the quality-enhancing techniques known as *total quality management (TQM)*. Employees involved in TQM are often organized into quality control teams and are responsible for finding new and better ways to perform their jobs.

Difficulty: 1 Easy

Topic: Total quality management (TQM)

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

82) Most often, innovation in organizations takes place in

- A) large departments.
- B) small groups or teams.
- C) established firms.
- D) upper management.
- E) quality control stations

Answer: B

Explanation: Typically, innovation takes place in small groups or teams; management decentralizes control of work activities to team members and creates an organizational culture that rewards risk taking.

Difficulty: 1 Easy

Topic: Innovation

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

83) \_\_\_\_\_ is the creation of a new vision for a struggling company using a new approach to planning and organizing to make better use of a company's resources and allow it to survive and eventually prosper.

- A) Total quality management
- B) Innovation
- C) Crisis management
- D) Turnaround management
- E) Restructuring

Answer: D

Explanation: Turnaround management is the creation of a new vision for a struggling company using a new approach to planning and organizing to make better use of a company's resources and allow it to survive and eventually prosper.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

84) \_\_\_\_\_ is the process of creating new or improved products that customers want.

- A) Competitive advantage
- B) Total quality management
- C) Turnaround management
- D) Innovation
- E) Core competency

Answer: D

Explanation: Innovation is the process of creating new or improved goods and services that customers want or developing better ways to produce or provide goods and services. Managers must create an organizational setting in which people are encouraged to be innovative.

Difficulty: 1 Easy

Topic: Innovation

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

85) A company asked its managers to focus their efforts on improving the quality of one of its products. The new product is more advanced than those of its competitors, and customers are willing to pay more for the higher quality. By \_\_\_\_\_, this company outperformed its competitors by producing a product more efficiently and effectively than they did.

- A) creating core competency
- B) building a competitive advantage
- C) restructuring
- D) utilizing management stratification
- E) employing empowerment

Answer: B

Explanation: Competitive advantage is the ability of one organization to outperform its competitors because it produces desired goods or services more efficiently and effectively than they do.

Difficulty: 2 Medium

Topic: Competitive advantage

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

86) A struggling manufacturing company recently developed a new vision and radical new strategies to reduce the number of products sold in order to reduce costs. This strategy worked and the company remained in business. The company utilized \_\_\_\_\_ by developing the new vision and strategies.

- A) turnaround management
- B) crisis management
- C) total quality management
- D) stratification
- E) restructuring

Answer: A

Explanation: Turnaround management is the creation of a new vision for a struggling company based on a new approach to planning and organizing to make better use of a company's resources and allot them in order to survive and prosper.

Difficulty: 3 Hard

Topic: Management

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

87) Jonas's company is discussing how it can be more socially responsible. What does social responsibility entail?

- A) the obligations a company has toward the people and groups affected by its activities
- B) the ways a company can support its employees over and above other stakeholders
- C) avoiding illegal activities that will hurt the company's reputation
- D) including the community and other stakeholders in every decision that is made
- E) choosing when to put the company first and when to allow others to also benefit

Answer: A

Explanation: The issue of social responsibility centers on deciding what obligations a company has toward the people and groups affected by its activities, such as employees, customers, or the cities in which it operates.

Difficulty: 2 Medium

Topic: Ethical behavior

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

88) Your company faced a challenge when a natural disaster closed two warehouses and stopped all shipments. What is considered a natural disaster?

- A) a union walk-out
- B) an industrial oil spill
- C) a terrorist attack
- D) an earthquake
- E) a release of harmful chemicals in the warehouses

Answer: D

Explanation: Crises that arise because of natural causes include the hurricanes, wildfires, earthquakes, famines, and diseases that have devastated so many countries over the past few years.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

89) Briefly discuss the four principal managerial tasks and give examples for how one would implement these tasks in a hypothetical company.

Answer: The four principal managerial tasks are planning, organizing, leading, and controlling. Managers at all levels of the organization and in all departments perform these tasks. Effective management means managing these activities successfully. To perform the planning task, managers identify and select appropriate organizational goals and courses of action; they develop strategies for how to achieve high performance. Organizing is structuring working relationships so organizational members interact and cooperate to achieve organizational goals. In leading, managers articulate a clear organizational vision for the organization's members to accomplish, and they energize and enable employees so everyone understands the part he or she plays in achieving organizational goals. In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance.

Difficulty: 3 Hard

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

90) Describe the three planning steps in the text and explain how this process can affect a manager's ability to succeed.

Answer: The three steps involved in planning are (1) deciding which goals the organization will pursue, (2) deciding what strategies to adopt to attain those goals, and (3) deciding how to allocate organizational resources to pursue the strategies that attain those goals. How well managers plan and develop strategies determines how effective and efficient the organization is—its performance level.

Difficulty: 3 Hard

Topic: Planning

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

91) Briefly describe Mintzberg's typology, including the three types of responsibilities he uses to categorize roles.

Answer: Mintzberg's theory shows that management is often chaotic, marked by quick decisions in a tense and sometimes emotional environment. Quick, immediate reactions to situations, rather than deliberate thought and reflection, are an important aspect of managerial action. He identified 10 kinds of specific roles or sets of job responsibilities that capture the dynamic nature of managerial work. He grouped these roles according to whether the responsibility is primarily decisional, interpersonal, or informational.

Difficulty: 3 Hard

Topic: Management

Learning Objective: 01-02 Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

92) You are a new manager in a growing company. You start out as a first-line manager but soon are promoted to a middle management position, and eventually to a top management position. Explain the difference between these levels of management by detailing what tasks you would be expected to perform.

Answer: Organizations normally have three levels of management: first-line managers, middle managers, and top managers. First-line managers are responsible for the daily supervision of nonmanagerial employees. Middle managers supervise first-line managers and are responsible for finding the best way to organize human and other resources to achieve organizational goals. Top managers establish organizational goals, such as which goods and services the company should produce; they decide how the different departments should interact; and they monitor how well middle managers in each department use resources to achieve goals. They are ultimately responsible for the success or failure of an organization.

Difficulty: 3 Hard

Topic: Management

Learning Objective: 01-03 Differentiate among three levels of management, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

93) Briefly describe the three different kinds of managerial skills and explain why each of the skills is critical for managers. Using a current or past boss as an example, how does (did) he or she use these skills?

Answer: Conceptual skills are demonstrated in the general ability to analyze and diagnose a situation and to distinguish between cause and effect. Managers need conceptual skills because their primary responsibilities are planning and organizing. Human skills include the general ability to understand, alter, lead, and control the behavior of other individuals and groups. The ability to communicate, coordinate, motivate, and mold individuals into a cohesive team distinguishes effective from ineffective managers. Technical skills are the job-specific skills required to perform a particular type of work or occupation at a high level. Managers need technical skills so they can monitor, train, and supervise employees to their job-specific skills and expertise increase. The second part of the question will vary depending on the student's experience.

Difficulty: 3 Hard

Topic: Managerial skills

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

94) What is core competency? Explain how core competency is related to competitive advantage and give an example of how a core competency gives an organization a competitive advantage in today's highly competitive business environment.

Answer: The term *core competency* refers to the specific set of departmental skills, knowledge, and experience that allows an organization to outperform its competitors. Departmental skills that create a core competency give an organization a competitive advantage when it helps the firm provide products and/or services that are either differentiated or at a lower cost than competitors. For example, when a company innovates a product with high quality at a lower price, it is a major source of competitive advantage.

Difficulty: 2 Medium

Topic: Core competency

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

95) Define restructuring and identify both the positive and negative outcomes that can result when an organization restructures.

Answer: Restructuring involves simplifying, shrinking, or downsizing an organization's operations to lower operating costs. Restructuring can be done by eliminating product teams, shrinking departments, and reducing levels in the hierarchy, all of which result in the loss of large numbers of jobs of top, middle, or first-line managers, as well as nonmanagerial employees. Modern information technology's (IT) ability to improve efficiency has increased the amount of downsizing in recent years because IT makes it possible for fewer employees to perform a given task. The positive effects of restructuring lie primarily in a reduction of overhead costs. Restructuring, however, can produce some powerful negative outcomes. It can reduce the morale of remaining employees, who worry about their own job security. And top managers of many downsized organizations realize that they downsized too far when their employees complain they are overworked and when increasing numbers of customers complain about poor service.

Difficulty: 3 Hard

Topic: Organizational change

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

96) Explain why some companies use restructuring and outsourcing to maintain a competitive advantage in today's highly competitive marketplace.

Answer: Both restructuring and outsourcing are used to increase efficiency because they often lower operating costs, freeing up money and resources that can be used in more effective ways when they are successful. Managers who restructure are attempting to use resources more efficiently, such as using IT to do routine tasks that HR personnel used to handle. For example, many companies have eliminated using the human resources department to manage employee data entry and instead provide new employees with access to online portals. Changes to personal data like addresses are often made by the employee without interacting with the human resources department. Restructuring often results in eliminating personnel through shrinking departments and reducing levels in the hierarchy. Outsourcing is moving noncritical activities to companies that can either provide expertise and/or lower costs. As the text points out, companies like Macy's, Microsoft, and Xerox have all restructured and many companies have used outsourcing to increase efficiency. In fact, large for-profit organizations now employ 10 to 20 percent fewer people than they did 10 years ago.

Difficulty: 3 Hard

Topic: Management

Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

97) What is empowerment? In your experience, how does empowering employees benefit an organization?

Answer: Managers have sought to increase efficiency and effectiveness by empowering lower-level employees and moving to self-managed teams. Empowerment is a management technique that involves giving employees more authority and responsibility over how they perform their work activities. Many companies, from startups to well-established organizations, have embraced empowerment as a key corporate strategy. Oftentimes empowered employees have higher job satisfaction and companies experience less turnover. Student answers will vary.

Difficulty: 3 Hard

Topic: Empowerment

Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT).

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

98) How has the rise in global organizations put pressure on organizations? Name at least three of the five major challenges for managers that are discussed in the text.

Answer: Managers and other employees throughout an organization must perform at higher and higher levels because the world has been changing more rapidly than ever before. The five competitive challenges that students may address are: building a competitive advantage, maintaining ethical standards, managing a diverse workforce, utilizing new information systems and technologies, and practicing global crisis management. In the last 20 years, rivalry between organizations competing domestically (in the same country) and globally (in countries abroad) has increased dramatically. The rise of global organizations, organizations that operate and compete in more than one country, has pressured many organizations to identify better ways to use their resources and improve their performance. Today managers who make no attempt to learn from and adapt to changes in the global environment find themselves reacting rather than innovating, and their organizations often become uncompetitive and fail.

Difficulty: 3 Hard

Topic: Globalization

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

99) You have just been hired to manage an IHOP restaurant. How would you use the four building blocks of competitive advantage to increase your restaurant's market share?

Answer: The four building blocks of competitive advantage are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers. In today's competitive environment, organizations must continually search for new ways to use their resources to improve efficiency or gain competitive advantage by providing new or improved goods or customer services and by being responsive to customer needs. Student answers will vary but should demonstrate an understanding of the concepts. Students may discuss the need for the company to create systems that ensure that customers get correct orders quickly; innovate the menu and the customers' experience to keep them coming back; and provide ways to address a highly diverse society's demands for a sit-down eating establishment in an age of fast and quick serve establishments.

Difficulty: 3 Hard

Topic: Competitive advantage

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

100) Defend this statement: Managing a diverse workforce is a major challenge.

Answer: A major challenge for managers everywhere is to recognize the ethical need and legal requirement to treat human resources fairly and equitably. Today, the age, gender, race, ethnicity, religion, sexual preference, and socioeconomic composition of the workforce presents new challenges for managers. To create a highly trained and motivated workforce, as well as to avoid lawsuits, managers must establish human resource management (HRM) procedures and practices that are legal and fair and do not discriminate against any organizational members. Today, most organizations understand that to motivate effectively and take advantage of the talents of a diverse workforce, they must make promotion opportunities available to every employee. Managers must recognize the performance-enhancing possibilities of a diverse workforce, such as the ability to take advantage of the skills and experiences of different kinds of people.

Difficulty: 3 Hard

Topic: Diversity

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

101) Describe the two categories of global crisis management, giving recent examples. Using one recent example for each, discuss ways a company might manage the crisis to avoid disaster.

Answer: The causes of global crises or disasters fall into two main categories: natural causes and human causes. Crises that arise because of natural causes include the hurricanes, wildfires, earthquakes, famines, and diseases that have devastated so many countries. Human-created crises result from factors such as industrial pollution, inattention to employee safety, the destruction of natural habitat or environment, and geopolitical tension and terrorism, including war. Human-created crises, such as global warming due to emissions of carbon dioxide and other gases, may intensify the effects of natural disasters.

Difficulty: 3 Hard

Topic: Environmental uncertainty

Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation