

Essentials of Contemporary Management, 8e (Jones)
Chapter 1 The Management Process Today

1) Organizations are efficient when managers maximize the amount of input resources.

Answer: FALSE

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Organizations are efficient when managers minimize the amount of input resources or the amount of time needed to produce a given output of goods or services.

Difficulty: 1 Easy

Topic: Management

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

2) Managers at all levels and in all departments are responsible for planning, organizing, leading, and controlling.

Answer: TRUE

Explanation: Managers perform four essential managerial tasks: planning, organizing, leading, and controlling. Managers at all levels and in all departments—whether in small or large companies, for-profit or not-for-profit organizations, or organizations that operate in one country or throughout the world—are responsible for performing these four tasks.

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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3) The outcome of organizing is the creation of a strategy.

Answer: FALSE

Explanation: Strategy is associated with the managerial function of planning. The outcome of organizing is the creation of an organizational structure, a formal system of task and reporting relationships that coordinates and motivates members so they work together to achieve organizational goals.

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

AACSB: Knowledge Application

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4) An organization's vision is a short, succinct, and inspiring statement of what the organization intends to become and the goals it is seeking to achieve.

Answer: TRUE

Explanation: An organization's vision is a short, succinct, and inspiring statement of what the organization intends to become and the goals it is seeking to achieve—its desired future state. 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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5) In contrast to middle managers, top managers are responsible for the performance of specific departments.

Answer: FALSE

Explanation: In contrast to middle managers, 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

6) Today, the term "chief operating officer" refers to the chief executive officer.

Answer: FALSE

Explanation: The chief executive officer (CEO) is a company's most senior and important manager, the one all other top managers report to. Today the term "chief operating officer" (COO) refers to the company's top manager who is being groomed to take over as CEO when its current CEO becomes the chair of the board, retires, or leaves the company.

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

7) Conceptual skills include the general ability to understand, alter, lead, and control the behavior of other individuals and groups.

Answer: FALSE

Explanation: Conceptual skills are demonstrated in the general ability to analyze and diagnose a situation and to distinguish between cause and effect. Top managers require the best conceptual skills because their primary responsibilities are planning and organizing.

Difficulty: 1 Easy

Topic: Top-level 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: Remember

AACSB: Knowledge Application

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8) Restructuring results in the loss of jobs.

Answer: TRUE

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: 1 Easy

Topic: Management

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

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9) Innovation takes place when management centralizes control of work activities and creates an organizational culture that precludes risk taking.

Answer: FALSE

Explanation: Innovation, the process of creating new or improved goods and services that customers want or developing better ways to produce or provide goods and services, poses a special challenge. 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: Globalization

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

10) Organizations appoint turnaround CEOs when the organizations become more efficient and effective.

Answer: FALSE

Explanation: Organizations that appoint turnaround CEOs are generally experiencing a crisis because they have become inefficient or ineffective; sometimes this is because of poor management over a continuing period, and sometimes it occurs because a competitor introduces a new product or technology that makes their own products unattractive to customers.

Difficulty: 1 Easy

Topic: Globalization

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

Bloom's: Remember

AACSB: Knowledge Application

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11) An organization's *resources* include assets such as

- A) competitors.
- B) loyal customers and employees.
- C) ethical codes.
- D) performance goals.

Answer: B

Explanation: An organization's *resources* include assets such as people and their skills, know-how, and experience; machinery; raw materials; computers and information technology; and patents, financial capital, and loyal customers and employees.

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Remember

AACSB: Knowledge Application

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12) Management includes

- A) planning and organizing resources other than human resources.
- B) planning, organizing, and leading resources as well as controlling them.
- C) planning and organizing resources but not leading and controlling them.
- D) leading and controlling resources but not planning and organizing them.

Answer: B

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

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 use organizational resources efficiently and effectively to achieve organizational goals.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 13) Which of the following is an appropriate definition of organizational performance?
- A) It is the process of obtaining, analyzing, and recording information about the relative worth of a product in the current marketplace.
 - B) It is a measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals.
 - C) It is an approach to modeling organizations based on the value-adding activities of the competing organizations.
 - D) It is a measure of the interaction among the employee culture, the managerial culture, and the culture of competitors.

Answer: B

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 14) A measure of how productively resources are used to achieve a goal is known as
- A) efficiency.
 - B) effectiveness.
 - C) authenticity.
 - D) legitimacy.

Answer: A

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Organizations are efficient when managers minimize the amount of input resources or the amount of time needed to produce a given output of goods or services.

Difficulty: 1 Easy

Topic: Management

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

Bloom's: Remember

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- 15) Which of the following defines managerial efficiency?
- A) achieving goals regardless of resource use
 - B) increasing the time needed to produce a given output of goods
 - C) increasing production through greater resource investment
 - D) minimizing the amount of input resources

Answer: D

Explanation: Efficiency is a measure of how productively resources are used to achieve a goal. Organizations are efficient when managers minimize the amount of input resources or the amount of time needed to produce a given output of goods or services.

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Understand

AACSB: Knowledge Application

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- 16) 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 is
- A) efficacy.
 - B) resourcefulness.
 - C) proficiency.
 - D) effectiveness.

Answer: D

Explanation: 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. Organizations are effective when managers choose appropriate goals and then achieve them.

Difficulty: 1 Easy

Topic: Management

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

Bloom's: Remember

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17) Which of the following is true of effectiveness?

- A) Organizational performance increases in direct proportion to an increase in effectiveness.
- B) It is a measure of how productively resources are used to achieve a goal.
- C) Organizations are effective when managers minimize the amount of input resources.
- D) Effectiveness is related to performance but not efficiency.

Answer: A

Explanation: 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. Organizations are effective when managers choose appropriate goals and then achieve them.

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Understand

AACSB: Knowledge Application

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18) A manufacturing company is said to be effective if it

- A) uses fewer workers while maintaining productivity.
- B) takes less time than before to produce a given output.
- C) sets appropriate goals and achieves them.
- D) generates employment for a large number of people.

Answer: C

Explanation: 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. Organizations are effective when managers choose appropriate goals and then achieve them.

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 19) Low efficiency/high effectiveness situations arise when managers choose the
- A) wrong goals to pursue and make poor use of resources to achieve these goals.
 - B) right goals to pursue but do a poor job of using resources to achieve these goals.
 - C) right goals to pursue and make good use of resources to achieve these goals.
 - D) wrong goals to pursue and make good use of resources to achieve these goals.

Answer: B

Explanation: Low efficiency/high effectiveness situations arise when managers choose the right goals to pursue, but do a poor job of using resources to achieve these goals. These situations result in the production of a product that customers want, but that is too expensive for them to buy.

Refer: Figure 1.1

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 20) High efficiency/high effectiveness situations result in the production of a
- A) high-quality product that customers do not want.
 - B) high-quality product that few customers can afford.
 - C) product that customers want at a quality and price they can afford.
 - D) product of mediocre quality that customers will buy despite its high price.

Answer: C

Explanation: High efficiency/high effectiveness situations arise when managers choose the right goals to pursue and make good use of resources to achieve these goals. It results in the production of a product that customers want at a quality and price that they can afford.

Refer: Figure 1.1

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 21) Low efficiency/low effectiveness situations results in a
- A) product that customers want but is too expensive to buy.
 - B) product 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.

Answer: C

Explanation: Low efficiency/low effectiveness situations arise when managers choose the wrong goals to pursue and make poor use of resources. It results in the production of a low-quality product that customers do not want.

Refer: Figure 1.1

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 22) Kiddy Toys produced beautifully made stuffed animals that many customers wanted. However, the product was so expensive that most potential customers could not afford it. Which of the following applies to this scenario?
- A) low efficiency and low effectiveness
 - B) high efficiency and low effectiveness
 - C) low efficiency and high effectiveness
 - D) high efficiency and high effectiveness

Answer: C

Explanation: In a low efficiency and high effectiveness situation, the manager chooses the right goals to pursue, but does a poor job of using resources to achieve these goals. As a result, you get a product that customers want, but that is too expensive for them to buy.

Refer: Figure 1.1

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

23) Time After Time, Inc., produces reliable, attractive watches that are reasonably priced. Which of the following applies to this example?

- A) low efficiency and low effectiveness
- B) high efficiency and low effectiveness
- C) low efficiency and high effectiveness
- D) high efficiency and high effectiveness

Answer: D

Explanation: In a high efficiency and high effectiveness situation, the manager chooses the right goals to pursue and makes good use of resources to achieve these goals. It results in a product that customers want at a quality and price that they can afford.

Refer: Figure 1.1

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

24) Which of the following describes organizational performance that results in a low-quality product that customers do not want?

- A) low efficiency and low effectiveness
- B) high efficiency and low effectiveness
- C) low efficiency and high effectiveness
- D) high efficiency and high effectiveness

Answer: A

Explanation: In a low efficiency and low effectiveness situation, the manager chooses the wrong goals to pursue and makes poor use of resources. It results in a low-quality product that customers do not want.

Refer: Figure 1.1

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

25) Which of the following describes organizational performance that results in a high-quality product that customers do not want?

- A) low efficiency and low effectiveness
- B) high efficiency and low effectiveness
- C) low efficiency and high effectiveness
- D) high efficiency and high effectiveness

Answer: B

Explanation: In a low efficiency and low effectiveness situation, the manager chooses the wrong goals to pursue and makes poor use of resources. It results in a low-quality product that customers do not want.

Refer: Figure 1.1

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

26) The goals chosen by the management of Ameer's Cafe seemed inappropriate for the store, but the management did make good use of the various resources in pursuing these goals. Ameer's Cafe is said to have

- A) low efficiency and high effectiveness.
- B) high efficiency and high effectiveness.
- C) low efficiency and low effectiveness.
- D) high efficiency and low effectiveness.

Answer: D

Explanation: High efficiency/low effectiveness situations arise when managers choose inappropriate goals, but make good use of resources to pursue these goals. It results in the production of a high-quality product that customers do not want.

Refer: Figure 1.1

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

27) Sosuke's company has low efficiency and low effectiveness. Considering this, which of the following applies?

- A) Sosuke produces easy-to-use copy machines, thus increasing demand for them, but uses cheap resources that often makes them break down.
- B) Sosuke produces easy-to-use copy machines, thus increasing demand for them, and uses quality resources that makes them durable.
- C) Sosuke produces copy machines that are complicated to use, thus lowering demand for them, and uses cheap resources that often makes them break down.
- D) Sosuke produces copy machines that are complicated to use, thus lowering demand for them, but uses quality resources that makes them durable.

Answer: C

Explanation: By producing copy machines that are complicated to use, Sosuke's company has low effectiveness because its production goal is inappropriate for the marketplace. Also, by using cheap resources, Sosuke's company has low efficiency because it is not using resources well.

Refer: Figure 1.1

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

28) You own a company that produces jewelry with attractive, popular designs but uses resources that makes the product too expensive for most potential buyers. Which of the following would you do to increase efficiency?

- A) arrange a deal with the supplier to lower the cost of the resources
- B) make sure the resources are used to make the designs even more popular
- C) fire the jewelry designers and replace them with less artistic ones
- D) make the jewelry less attractive, but still use the same high-quality resources

Answer: A

Explanation: By arranging a deal with the supplier that lowers the cost of the resources, you will also be lowering the cost of the jewelry. As a result, you will be making better use of resources, thus increasing efficiency.

Refer: Figure 1.1

Difficulty: 3 Hard

Topic: Management

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

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

29) In what order do managers typically perform the managerial functions?

- A) organizing, planning, controlling, leading
- B) organizing, leading, planning, controlling
- C) planning, organizing, leading, controlling
- D) planning, organizing, controlling, leading

Answer: C

Explanation: Typically, the order in which managers perform the managerial functions is: (1) planning, (2) organizing, (3) leading, and (4) controlling.

Difficulty: 1 Easy

Topic: Fayol's Division of Labor

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

30) Which of the following managers has achieved the objectives of the essential managerial task of organizing?

- A) Matteo, who has chosen appropriate organizational goals
- B) Val, who has set task and authority relationships that allow people to work together
- C) Henrietta, who has determined courses of action to achieve organizational goals
- D) Ha-yoon, who has established systems to evaluate goal achievement

Answer: B

Explanation: The essential managerial task of organizing involves establishing task and authority relationships that allow people to work together to achieve organizational goals.

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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

31) What must one do to perform the essential managerial task of controlling in achieving organizational goals?

- A) Articulate a clear organizational vision for the organization's members to accomplish by a specified deadline.
- B) Organize people into departments according to the kinds of job-specific tasks they perform.
- C) Identify and select appropriate organizational goals and courses of action.
- D) Establish accurate measuring and monitoring systems to evaluate how well goals have been achieved.

Answer: D

Explanation: The essential managerial task of controlling involves establishing accurate measuring and monitoring systems to evaluate how well the organization has achieved its goals.

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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

32) Which of the following describes the essential managerial task of leading in achieving organizational goals?

- A) motivate, coordinate, and energize individuals and groups
- B) evaluate how well the organization has achieved its goals
- C) choose appropriate goals and courses of action
- D) establish task and authority relationships to allow people to work together

Answer: A

Explanation: The essential managerial task of leading involves motivating, coordinating, and energizing individuals and groups to work together to achieve 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

33) The essential managerial task of planning involves

- A) establishing task and authority relationships so that people work together.
- B) motivating individuals and groups to work together.
- C) choosing appropriate goals and courses of action.
- D) evaluating how well the organization has achieved its goals.

Answer: C

Explanation: The essential managerial task of planning involves choosing appropriate organizational goals and courses of action to best achieve 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

34) Isabella decided that Golden Key Enterprises should expand its markets in Europe and laid out a seven-step procedure to accomplish this. Which of the following tasks is Isabella doing?

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

Answer: A

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. Isabella established the goal of expanding Golden Key's market into Europe and devised a strategy for achieving this goal. 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: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

35) How to allocate organizational resources to pursue the strategies that attain set goals is a question addressed during

- A) regulating.
- B) planning.
- C) leading.
- D) controlling.

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. 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

36) Which of the four principal managerial tasks can help Sargis understand his performance in the other three tasks?

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

Answer: C

Explanation: The controlling task also helps managers evaluate how well they themselves are performing the other three tasks of management—planning, organizing, and leading—and take corrective action.

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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

37) The formal system of task and reporting relationships that coordinates and motivates organizational members so they work together to achieve organizational goals is called organizational

- A) structure.
- B) performance.
- C) goals.
- D) resources.

Answer: A

Explanation: Organizational structure is the formal system of task and reporting relationships that coordinates and motivates organizational members so they work together to achieve organizational goals.

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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

38) Organizational structure is the formal system of

- A) financial analysis and management.
- B) task and reporting relationships.
- C) vision creation and articulation.
- D) goal selection and implementation.

Answer: B

Explanation: Organizational structure is the formal system of task and reporting relationships that coordinates and motivates organizational members so they work together to achieve organizational goals.

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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

39) Which of the following refers to a cluster of decisions concerning what organizational goals to pursue, what actions to take, and how to use resources to achieve these goals?

- A) strategy
- B) assessment
- C) collaboration
- D) deputation

Answer: A

Explanation: "Strategy" refers to a cluster of decisions concerning what organizational goals to pursue, what actions to take, and how to use resources to achieve these 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

40) In order to ensure that it has a competitive advantage over its competitors, Best Star, Ltd., decides to acquire the much smaller KAG, Inc. The move is an example of a

- A) vision.
- B) business model.
- C) strategy.
- D) mission.

Answer: C

Explanation: 'Strategy' refers to a cluster of decisions concerning what organizational goals to pursue, what actions to take, and how to use resources to achieve these 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: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

41) FullPress, Inc., has ten middle managers. They report to two vice presidents who report to the CEO. What does this example show?

- A) differentiation structure
- B) organizational structure
- C) organizational strategy
- D) differentiation strategy

Answer: B

Explanation: Organizational structure is a formal system of task and reporting relationships that coordinates and motivates members so they work together to achieve organizational 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: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

42) If Hedda wants to devise an effective business strategy, which of the following courses of action would she take?

- A) write an inspiring statement about her company's goals
- B) form a team that works well together
- C) make decisions about how to achieve her company's goals
- D) pass out a survey to determine how well her company has achieve its goals

Answer: C

Explanation: An effective business strategy is a cluster of decisions concerning what organizational goals to pursue, what actions to take, and how to use resources to achieve that goal.

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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

43) Who among the following is involved in the task of controlling?

- A) Nivon Flights monitors its services for quality and efficiency.
- B) Klaus Ltd., puts on a motivational seminar for its employees.
- C) Baron, Inc., creates a new position that reports directly to the CEO.
- D) Cantaloupe Farms makes the decision to increase its marketing ventures.

Answer: A

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. For example, 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: 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

44) The strategy of delivering new, exciting, and unique products to the customers is a _____ task.

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

Answer: B

Explanation: The strategy of delivering new, exciting, and unique products to the customers is planning task. 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

45) The process of structuring working relationships so that organizational members interact and cooperate to achieve organizational goals is known as

- A) planning.
- B) leading.
- C) controlling.
- D) organizing.

Answer: D

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 among 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

46) When a manager lays out the lines of authority and responsibility among different individuals and groups, the manager is

- A) organizing.
- B) leading.
- C) controlling.
- D) planning.

Answer: A

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 among 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

47) A formal system of reporting relationships that coordinates and motivates organizational members so that they work together to achieve organizational goals is called an organizational

- A) culture.
- B) structure.
- C) assimilation.
- D) chart.

Answer: B

Explanation: Organizing involves 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 among 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 48) A short, succinct, and inspiring statement of what the organization intends to become is an organization's
- A) goal.
 - B) strategy.
 - C) vision.
 - D) mission.

Answer: C

Explanation: An organization's vision is a short, succinct, and inspiring statement of what the organization intends to become and the goals it is seeking to achieve—its desired future state. 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 49) During which managerial task does a manager articulate a clear organizational vision for the organization's members to accomplish?
- A) planning
 - B) organizing
 - C) controlling
 - D) leading

Answer: D

Explanation: In leading, managers articulate a clear organizational vision for the organization's members to accomplish, and they energize and enable employees so that 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

50) Which of the managerial functions involves managers using their power, personality, influence, persuasion, and communication skills to coordinate people and groups so that their activities and efforts are in harmony?

- A) leading
- B) planning
- C) organizing
- D) 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. It 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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

51) Which of the following is a responsibility of leadership?

- A) evaluating how well they themselves are performing in leading the organization
- B) encouraging employees to perform at a high level to help the organization achieve its goals
- C) evaluating an organization's success in reaching its goals and taking corrective actions
- D) deciding which goals to measure and then designing control systems for them

Answer: B

Explanation: Leadership revolves around encouraging all employees to perform at a high level to help the organization achieve its vision and goals. Another outcome of leadership is a highly motivated and committed workforce.

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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

52) Yuri has been given the task of evaluating how well his company, Comfy Shoes, Inc., has implemented its new line of slippers and how this implementation could be improved. Which of the following tasks has Yuri been assigned?

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

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. The outcome of the control process is the ability to measure performance accurately and regulate organizational efficiency and effectiveness.

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

53) Which of the following processes gives managers the ability to measure performance accurately and regulate organizational efficiency and effectiveness?

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

Answer: A

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. The outcome of the control process is the ability to measure performance accurately and regulate organizational efficiency and effectiveness.

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: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

54) Mark, a manager at Matt's Shack, monitors the performance of workers in his department to determine if the quality of their work is meeting the standards of the company. Mark is engaging in which of the following managerial functions?

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

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. The outcome of the control process is the ability to measure performance accurately and regulate organizational efficiency and effectiveness.

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

55) Sienna, the CEO of Far Plain, Ltd., reviews the past month's profit and loss statement to determine if the company is on pace to meet the planned sales and profitability goals. Sienna is engaged in which of the following managerial functions?

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

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. The outcome of the control process is the ability to measure performance accurately and regulate organizational efficiency and effectiveness.

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

56) Although Darren's company has many skilled, bright employees, they seem to lack enthusiasm for their work. Which of the following should Darren implement to solve this problem?

- A) hire a pleasant manager who has achieved great results by restructuring companies like Darren's
- B) hire a pleasant manager who is knowledgeable in the latest methods of monitoring and evaluating companies like Darren's
- C) hire a charismatic manager who has excellent organizational skills and can efficiently achieve goals
- D) hire a charismatic manager who strongly believes in the company and knows how to convey this belief to others

Answer: D

Explanation: Darren's company faces a problem with leading. Some leaders can inspire employees, thereby increasing their enthusiasm for their work. As a result, Darren should hire a charismatic manager who strongly believes in the company and knows how to convey this belief to others.

Difficulty: 3 Hard

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: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

57) Which of the following describes first-line managers?

- A) They are also known as supervisors.
- B) They are at the middle of the managerial hierarchy.
- C) They work mainly in the sales department of an organization.
- D) They have cross-departmental responsibility.

Answer: A

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: 2 Medium

Topic: Managerial Skills

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: Knowledge Application

Accessibility: Keyboard Navigation

58) Which of the following is true of middle managers?

- A) They decide how the different departments should interact.
- B) They are responsible for daily supervision of the nonmanagerial employees.
- C) They develop skills and know-how so that the organization is efficient and effective.
- D) They are responsible for the performance of all departments.

Answer: C

Explanation: To increase effectiveness, middle managers evaluate whether the organization's goals are appropriate and suggest to top managers how goals should be changed. 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: 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: Knowledge Application

Accessibility: Keyboard Navigation

59) Which of the following is true of top managers?

- A) They supervise nonmanagerial employees.
- B) They help first-line managers better use resources.
- C) They have cross-departmental responsibility.
- D) They are responsible for a single department.

Answer: C

Explanation: In contrast to middle managers, top managers are responsible for the performance of all departments. They have cross-departmental responsibility. 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: 2 Medium

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: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

60) Who among the following is most likely to be a part of the top management team?

- A) supervisor
- B) head nurse
- C) chief executive officer
- D) divisional manager

Answer: C

Explanation: The chief executive officer (CEO) is a company's most senior and important manager, the one all other top managers report to. A central concern of the CEO is the creation of a smoothly functioning top management team, a group composed of the CEO, the chief operating officer (COO), and the vice presidents most responsible for achieving organizational goals.

Difficulty: 2 Medium

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: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

61) Being a part of top management at a large fast food chain, Antonio is most likely to spend most of his time

- A) planning and organizing resources.
- B) planning and controlling nonmanagerial employees.
- C) organizing and leading first-line managers.
- D) organizing resources and leading first-line managers.

Answer: A

Explanation: The amount of time managers spend planning and organizing resources to maintain and improve organizational performance increases as they ascend the hierarchy. Top managers devote most of their time to planning and organizing, the tasks so crucial to determining an organization's long-term performance. The lower that managers' positions are in the hierarchy, the more time the managers spend leading and controlling first-line managers or nonmanagerial employees.

Difficulty: 2 Medium

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: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

62) Misaki is a middle manager. Considering this, which of the following would she most likely do?

- A) organize a training program that improves the service of employees
- B) make sure employees are filling out time cards correctly
- C) arrange a deal with a foreign supplier of magnesium
- D) study a report that analyzes how well departments are interacting

Answer: A

Explanation: To increase efficiency, middle managers find ways to make better use of resources and to improve customer service.

Difficulty: 2 Medium

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: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

63) Edrice was hired as a business consultant for a company that is floundering. Which of the following actions would Edrice need to take in order to change the company's fortunes?

- A) advise middle-manager on better ways to use resources
- B) monitor the effectiveness of non-managerial employees
- C) convince the CEO to change course and adopt a new approach
- D) listen to the complaints of first-line managers

Answer: C

Explanation: For the company to improve its fortunes, Edrice must convince the CEO to change course and adopt a new approach. The CEO is responsible for the success and failure of a company and needs to support any possible changes to make them effective. The other actions might be effective, but are not necessary to turnaround a company.

Difficulty: 3 Hard

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: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

64) If Addi works as a first-line manager for a film production company, which of the following would she most likely do?

- A) work as a supporting actor in a film
- B) organize the extras on a film set
- C) make sure that overall film production is running smoothly
- D) greenlight the production of a film

Answer: B

Explanation: If Addie were a first-line manager, she would organize the extras on a film set. First-line managers are responsible for the daily supervision of nonmanagerial employees.

Difficulty: 2 Medium

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: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

65) The ability to analyze and diagnose a situation and to distinguish between cause and effect demonstrates a manager's _____ skills.

- A) interpersonal
- B) conceptual
- C) technical
- D) communication

Answer: B

Explanation: Conceptual skills are demonstrated in the general ability to analyze and diagnose a situation and to distinguish between cause and effect. Top managers require the best conceptual skills because their primary responsibilities are planning and organizing.

Difficulty: 1 Easy

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: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

66) The general abilities to understand, alter, lead, and control the behavior of individuals and groups are _____ skills.

- A) analytic
- B) cognitive
- C) human
- D) conceptual

Answer: C

Explanation: Human skills include the general ability to understand, alter, lead, and control the behavior of other individuals and groups. The ability to communicate, to coordinate, and to motivate people and to mold individuals into a cohesive team distinguishes effective from ineffective managers.

Difficulty: 1 Easy

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: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

67) Olivia has the skills needed to rewire the electrical systems of skyscrapers. This type of skill is referred to as

- A) technical.
- B) communication.
- C) interpersonal.
- D) conceptual.

Answer: A

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, accounting, marketing, and increasingly, IT skills.

Difficulty: 1 Easy

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: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

68) The specific set of departmental skills, knowledge, and experience that allows one organization to outperform its rivals is known as the organization's _____ competency.

- A) strategic
- B) edge
- C) competitive
- D) core

Answer: D

Explanation: The term "core competency" is often used to refer to the specific set of departmental skills, knowledge, and experience that allows one organization to outperform its competitors. In other words, departmental skills that create a core competency give an organization a competitive advantage.

Difficulty: 1 Easy

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: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

69) Mi Jin is writing a newspaper article about the day-to-day running of a baseball team. For this report, she interviews people who do a wide variety of jobs. Which of the following jobs would Mi Jin describe in her article as showing technical skill?

- A) the manager studying analytics to determine the best lineup
- B) the batting instructor giving tips to a struggling player
- C) the veteran player giving an inspirational speech to the team
- D) a player telling a joke to ease tension and improve comradery

Answer: B

Explanation: The batting instructor giving tips to a struggling player is using his technical skill to improve the player's swing. Technical skills are the job-specific skills required to perform a particular type of work or occupation at a high level.

Difficulty: 3 Hard

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: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

70) Constanza does work that requires conceptual skills. Considering this, which of the following jobs would she do?

- A) write an inspirational speech for a senator
- B) coach a governor on how to give better debater
- C) inspire a group to canvas for a political candidate
- D) analyze demographics that show the biases of voters

Answer: D

Explanation: By analyzing demographics that show the biases of voters, Constanza uses conceptual skills. Conceptual skills are demonstrated in the general ability to analyze and diagnose a situation and to distinguish between cause and effect.

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: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

71) Vasil is the head of the human resources department of a company. Which of the following pairs would he most likely place in the same department?

- A) Janet, who knows how to design marketing surveys, and Marti, who knows how to repair manufacturing machines
- B) Janet, who knows how to design marketing surveys, and Georgi, who knows how to administer marketing surveys
- C) Georgi, who knows how to administer marketing surveys, and Alina, who knows how to sell products
- D) Alina, who knows how to sell products, and Marti, who knows how to repair manufacturing machines

Answer: B

Explanation: Managers and employees who possess the same kinds of technical skills typically become members of a specific department. Janet and Georgi both have skills dealing with marketing and thus would probably be placed in the marketing department.

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: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

72) Kat is the CEO of a media company called Fast Forward, Inc. She wants the company to have a core competency that enables it to become an innovator in its field. Considering this, which of the following would Kat most likely authorize?

- A) a negotiation strategy to obtain resources from foreign suppliers at a reduced cost
- B) a training seminar focused on inspiring the sales staff and improving their approach to customers
- C) a plan to research the development of miniature video cameras that are affordable and have top-end picture resolution
- D) a manufacturing method that streamlines the production process, thereby increasing output.

Answer: C

Explanation: Core competency refers to the specific set of departmental skills, knowledge, and experience that allows one organization to outperform its competitors. If Kat wants her company to be an innovator, she would most likely work to establish a core competency in research.

Difficulty: 3 Hard

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: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

73) Novak is a CEO who wants to significantly improve the skills of his work force in many areas. Which of the following would he most likely endorse?

- A) the hiring of highly educated managers
- B) the creation of a department focusing on research
- C) the funding of a college specifically for his employees
- D) the production of cheap smart phones for students

Answer: C

Explanation: Many companies attempt to improve the skills of their employees by supporting various training programs, including management programs and colleges for employees.

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: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

74) Simplifying, shrinking, or downsizing an organization's operations to lower operating costs is known as

- A) restructuring.
- B) redistributing.
- C) renovating.
- D) reconditioning.

Answer: A

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, 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: 1 Easy

Topic: Management

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) Egg Head, Inc., is facing financial problems. In order to tackle the situation, the management has decided to reduce the number of middle managers by 20 percent to help them cut costs. This is an example of

- A) telecommuting.
- B) restructuring.
- C) outsourcing.
- D) empowering.

Answer: B

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, 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: Management

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

- 76) The company for which Maria works has announced that due to declining global sales, it will lay off 12 percent of its labor force. This is an example of
- A) innovating.
 - B) telecommuting.
 - C) restructuring.
 - D) outsourcing.

Answer: C

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, 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: Management

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

- 77) Contracting with another company, usually in a low-cost country abroad, to have it perform a work activity the organization previously performed itself is known as
- A) integrating.
 - B) telecommuting.
 - C) outsourcing.
 - D) insourcing.

Answer: C

Explanation: Outsourcing involves contracting with another company, often in a low-cost country abroad. It increases efficiency because it lowers operating costs, freeing up money and resources that can then be used in more effective ways.

Difficulty: 1 Easy

Topic: Management

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

78) Which of the following management techniques involves giving employees more authority and responsibility over how they perform their work activities?

- A) innovation
- B) total quality management
- C) empowerment
- D) outsourcing

Answer: C

Explanation: Empowerment is a management technique that involves giving employees more authority and responsibility over how they perform their work activities. Information technology is being increasingly used to empower employees because it expands employees' job knowledge and increases the scope of their job responsibilities.

Difficulty: 1 Easy

Topic: Management

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: Technology

Accessibility: Keyboard Navigation

79) A bank allows its tellers to not only handle deposits and disbursement, but also distribute traveler's checks and sell certificates of deposit. This is an example of

- A) innovation.
- B) restructuring.
- C) total quality management.
- D) empowerment.

Answer: D

Explanation: Empowerment is a management technique that involves giving employees more authority and responsibility over how they perform their work activities. Information technology is being increasingly used to empower employees because it expands employees' job knowledge and increases the scope of their job responsibilities.

Difficulty: 2 Medium

Topic: Management

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

80) Kagmogelo works as the human resource manager at Luscious Confectionaries. It was mandatory for his subordinates to obtain his signature on every document related to the hiring of a new employee. When he realized that this was increasing the duration of the hiring process, he told his subordinates that they no longer needed his signature unless the hire involved extraordinary circumstances. This is an example of

- A) outsourcing.
- B) total quality management.
- C) empowerment.
- D) innovation.

Answer: C

Explanation: Empowerment is a management technique that involves giving employees more authority and responsibility over how they perform their work activities. Information technology is being increasingly used to empower employees because it expands employees' job knowledge and increases the scope of their job responsibilities.

Difficulty: 2 Medium

Topic: Management

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

81) Which of the following is an accurate definition of a self-managed team?

- A) a group of people who work interdependently and with shared purpose across space, time, and organization boundaries using technology to communicate and collaborate
- B) several professionals who independently address various issues that an organization may have, focusing on the issues in which they specialize
- C) a group of employees who assume collective responsibility for organizing, controlling, and supervising their own work activities
- D) a team used only for a defined period of time and for a separate, concretely definable purpose

Answer: C

Explanation: Information technology facilitates the use of a self-managed team, a group of employees who assume collective responsibility for organizing, controlling, and supervising their own work activities. Using IT designed to give team members real-time information about each member's performance, a self-managed team can often find ways to accomplish a task more quickly and efficiently.

Difficulty: 2 Medium

Topic: Management

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: Teamwork

Accessibility: Keyboard Navigation

82) Svetlana wants to facilitate the turnaround of her company, TechLighting, by using outsourcing. Considering this, which of the following would she most likely support?

- A) firing 10 percent of her workers in the marketing department
- B) contracting with a company in India to have it do TechLighting's marketing
- C) combining TechLighting's research and marketing departments
- D) allowing TechLighting's research department to have more autonomy

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. Considering this, Svetlana would most likely have a company in India do TechLighting's marketing.

Difficulty: 2 Medium

Topic: Management

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: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

83) Aric wants to give his company a competitive advantage by using a combination of restructuring and empowerment. Considering this, which of the following would Aric most likely support?

- A) firing 15 percent of his employees and giving the research department more authority over their projects
- B) combining the manufacturing and research departments and contracting a Mexican company to do marketing
- C) using a self-managed team for research and giving inspiration seminars to all of his employees
- D) contracting a Romanian company to do customer service and eliminating the research department

Answer: A

Explanation: Downsizing a company by firing employees is a restructuring tactic; giving a research department more authority is an empowering tactic.

Difficulty: 3 Hard

Topic: Management

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: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

84) Organizations that operate and compete in more than one country are known as _____ organizations.

- A) diversified
- B) expanded
- C) allied
- D) global

Answer: D

Explanation: Global organizations are organizations that operate and compete in more than one country. The rise of such organizations has pressured many organizations to identify better ways to use their resources and improve their performance.

Difficulty: 1 Easy

Topic: Globalization

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) The ability of one organization to outperform other organizations because it produces desired goods or services more efficiently and effectively than its competitors is known as its _____ advantage.

- A) competitive
- B) controlling
- C) global
- D) total

Answer: A

Explanation: Competitive advantage is the ability of one organization to outperform other organizations because it produces desired goods or services more efficiently and effectively than its competitors. The four building blocks of competitive advantage are superior efficiency, quality, 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

86) 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 allow it to survive and prosper is _____ management.

- A) performance
- B) total quality
- C) turnaround
- D) impression

Answer: C

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. It involves developing radical new strategies, such as how to reduce the number of products sold or change how they are made and distributed, or closing corporate and manufacturing operations to reduce costs.

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

87) Antonella owns a company that produces organic chips called Earth Chips, Inc. She wants to create a competitive advantage for Earth Chips by using quality. With this goal in mind, which of the following would she be most likely to support?

- A) the establishment of well-trained customer service department
- B) the use of the first organic, biodegradable packaging for chips
- C) the implementation of a production process that speeds up output and lowers cost
- D) the production of tasty quinoa chips that use pure olive oil and are reasonably priced

Answer: D

Explanation: The production of delicious quinoa chips that use pure olive oil and sell for a reasonable price focuses on the quality of the product. By creating the great quinoa chips, Antonella could gain competitive advantage.

Difficulty: 3 Hard

Topic: Globalization

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

88) NVK Maritime Electronics wants to gain a competitive advantage through innovation. Which of the following would it most likely attempt?

- A) installing better computers to assist navigational designers
- B) using fewer resources to produce navigational equipment
- C) offering repairs of navigational equipment at a discounted rate
- D) creating a navigation device never used before

Answer: D

Explanation: Creating a new navigation device is an example of an innovation that could help the company gain competitive advantage.

Difficulty: 2 Medium

Topic: Globalization

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

89) Julio's primary competitor has come out with a product line of espresso machines that make espresso faster without a drop in quality. Based on what you know about maintaining competitiveness through agility, what should Julio do?

- A) outsource the production of heating elements, thereby lowering costs, but slowing the production process
- B) focus on research for a year and eventually produce a new espresso machine better than his competitor's
- C) adapt his production process to create espresso machines similar to his competitor's without delaying production
- D) keep the production process the same and assume that loyal customers will continue to purchase his brand

Answer: C

Explanation: By adapting his production process to create espresso machines similar to his competitor's without delaying production, Julio's company shows great agility. Today companies can win or lose the competitive race depending on their *speed*—how fast they can bring new products to market—or their *flexibility*—how easily they can change or alter the way they perform their activities to respond to actions of their competitors. Companies that have speed and flexibility are agile competitors: Their managers have superior planning and organizing abilities; they can think ahead, decide what to do, and then speedily mobilize their resources to respond to a changing environment. Agile companies are adept at responding to changes in their environments.

Difficulty: 3 Hard

Topic: Globalization

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

90) If a CEO orders his managers to significantly increase production with a minimal increase in cost, which of the following outcomes is most likely?

- A) Managers will use inspirational methods to motivate employees.
- B) Managers will establish a higher standard of safety.
- C) Managers will use sweatshops to achieve the CEO's goal.
- D) Managers will produce products of higher quality.

Answer: C

Explanation: Too much pressure or unreasonable pressure to perform can be harmful to a company. It may induce managers to behave unethically, and even illegally, when dealing with people and groups inside and out-side the organization, such as by using sweatshops.

Difficulty: 2 Medium

Topic: Globalization

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

91) What is organizational performance, and what is its relationship with efficiency and effectiveness?

Answer: Organizational performance is a measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals. Organizational performance increases in direct proportion to increases in efficiency and effectiveness.

Difficulty: 1 Easy

Topic: Management

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

92) Define efficiency. When is an organization said to be efficient? Give two examples.

Answer: Efficiency is a measure of how productively resources are used to achieve a goal. Organizations are efficient when managers minimize the amount of input resources (such as labor, raw materials, and component parts) or the amount of time needed to produce a given output of goods or services. Student examples will vary. Possible examples are: if a company reduced the number parts needed to make food processors, then it would be considered efficient. Also, if a company reduced the amount of time to produce 100 automobiles by 20 hours, then it would also be considered efficient.

Difficulty: 2 Medium

Topic: Management

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

93) Explain effectiveness. When is an organization said to be effective? Give two examples.

Answer: 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. Organizations are effective when managers choose appropriate goals and then achieve them. Student examples will vary. The following are possible examples: If the managers of an organization decided to fill popular demand by producing inexpensive HD televisions and then achieved this goal, this organization would be effective. Likewise, a company that decided to increase production by giving its employees more autonomy and then achieved this goal would also be considered effective.

Difficulty: 3 Hard

Topic: Management

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

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

94) What are the reasons behind studying management?

Answer: Student answers will vary. The following are some of the reasons for studying management:

- In any society or culture resources are valuable and scarce, so the more efficient and effective use that organizations can make of those resources, the greater the relative well-being and prosperity of people in that society. Because managers decide how to use many of a society's most valuable resources, they directly impact the well-being of a society and the people in it. Understanding what managers do and how they do it is of central importance to understanding how a society creates wealth and affluence for its citizens.
- Although most people are not managers, and many may never intend to become managers, almost all of us encounter managers because most people have jobs and bosses. Moreover, many people today work in groups and teams and have to deal with coworkers. Studying management helps people deal with their bosses and their coworkers. It reveals how to understand other people at work and make decisions and take actions that win the attention and support of the boss and coworkers. Management teaches people not yet in positions of authority how to lead coworkers, solve conflicts between them, achieve team goals, and thus increase performance.
- In any society, people are in competition for a very important resource—a job that pays well and provides an interesting and satisfying career; and understanding management is one important path toward obtaining this objective.

Difficulty: 3 Hard

Topic: Management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

95) Define planning. What are the three steps in the planning process?

Answer: Planning is the process of identifying and selecting appropriate goals. The three steps involved in planning are: deciding which goals the organization will pursue, deciding what strategies to adopt to attain those goals, and 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: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

96) Explain the term "strategy," and give an example.

Answer: 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.

"Strategy" refers to the cluster of decisions concerning what organizational goals to pursue, what actions to take, and how to use resources to achieve these goals. Student examples will vary. For example, a gourmet restaurant's strategy might include goals such as what cuisine to prepare and what demographic to appeal to; actions such as finding the best location for the restaurant and creating an effective décor; and the use of resources, such as hiring a top chef and buying the best ingredients.

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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

97) What does the managerial function of organizing involve? What is its outcome?

Answer: Organizing involves structuring working relationships so that 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 among different individuals and groups. The outcome of organizing is the creation of an organizational structure, a formal system of task and reporting relationships that coordinates and motivates members so they work together to achieve organizational goals. Organizational structure determines how an organization's resources can be best used to create goods and services.

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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

98) Discuss the managerial function of leading. What is its outcome?

Answer: 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 involves managers using their power, personality, influence, persuasion, and communication skills to coordinate people and groups so that their activities and efforts are in harmony. Leadership revolves around encouraging all employees to perform at a high level to help the organization achieve its vision and goals. Another outcome of leadership is a highly motivated and committed workforce.

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

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

99) What does the managerial function of controlling involve?

Answer: 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. 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 and then they must design control systems that will provide the information necessary to assess performance. The controlling task also helps managers evaluate how well they themselves are performing the other three tasks of management—planning, organizing, and leading—and take corrective action.

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

100) Identify the three levels of management, explain the basic responsibilities of each, and give an example for each.

Answer: The three levels are first-line managers, middle managers, and top managers.

At the base of the managerial hierarchy are first-line managers, often called supervisors. They are responsible for the daily supervision of the nonmanagerial employees who perform the specific activities necessary to produce goods and services. For example, the leader of a scientific research team directly supervises the scientists on the team.

Supervising the first-line managers are middle managers, responsible for finding the best way to organize human and other resources to achieve organizational goals. 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. Often the suggestions that middle managers make to top managers can dramatically increase organizational performance. 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. For example, the head of employee training at a company is responsible to improving the skills of all the employees.

Top managers are responsible for the performance of all departments. They have cross-departmental responsibility. They establish organizational goals, deciding how the different departments should interact, and monitor how well middle managers in each department use resources to achieve goals. Top managers are ultimately responsible for the success or failure of an organization. For example, the president of a university has cross-departmental responsibility, monitors how department heads are doing, and ultimately is responsible for the success or failure of the institution.

Difficulty: 3 Hard

Topic: Managerial Skills

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: Analytical Thinking

Accessibility: Keyboard Navigation

101) Identify and briefly define the three major types of managerial skills. Give an example for each.

Answer: The three types of managerial skills are conceptual, human, and technical.

Conceptual skills are demonstrated in the general ability to analyze and diagnose a situation and to distinguish between cause and effect. Top managers require the best conceptual skills because their primary responsibilities are planning and organizing. For example, a manager that analyzes data that shows the strengths and weaknesses of an organization is using conceptual skills.

Human skills include the general ability to understand, alter, lead, and control the behavior of other individuals and groups. The ability to communicate, to coordinate, and to motivate people and to mold individuals into a cohesive team distinguishes effective from ineffective managers. For example, a manager uses human skills when he or she unifies a group into an efficient team, in which all the member have a positive attitude, contribute to achieve their goals, and are willing to take risks in sharing ideas.

Technical skills are the job-specific skills required to perform a particular type of work or occupation at a high level. Managers need a range of technical skills to be effective. The array of technical skills managers need depends on their position in their organizations. For example, a manager who can troubleshoot computer problems is using his or her technical 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: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

102) What is restructuring? Give two examples. What are the disadvantages of restructuring?

Answer: 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, all of which result in the loss of large numbers of jobs of top, middle, or first-line managers, as well as nonmanagerial employees. Student examples will vary. A possible example might note that a publishing company restructures when it decides to stop publishing social studies textbooks and, as a result, eliminates the social studies department. Restructuring can reduce the morale of remaining employees, who worry about their own job security. Top managers of many downsized organizations realize that they have downsized too far when their employees start complaining that they are overworked and when customer complaints about poor service increase.

Difficulty: 3 Hard

Topic: Management

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: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

103) Explain the significance of information technology with regard to empowering employees and facilitating self-managed teams.

Answer: Empowerment is a management technique that involves giving employees more authority and responsibility over how they perform their work activities. Information technology (IT) expands employees' job knowledge and increases the scope of their job responsibilities. Frequently, IT allows one employee to perform a task that was previously performed by many employees. As a result, the employee has more autonomy and responsibility. IT also facilitates the use of a self-managed team, a group of employees who assume collective responsibility for organizing, controlling, and supervising their own work activities. Using IT designed to give team members real-time information about each member's performance, a self-managed team can often find ways to accomplish a task more quickly and efficiently. Moreover, self-managed teams assume many tasks and responsibilities previously performed by first-line managers, so a company can better utilize its workforce. First-line managers act as coaches or mentors whose job is not to tell employees what to do but to provide advice and guidance and help teams find new ways to perform their tasks more efficiently. Using the same IT, middle managers can easily monitor what is happening in these teams and make better resource allocation decisions as a result.

Difficulty: 3 Hard

Topic: Management

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: Technology

Accessibility: Keyboard Navigation

104) Define competitive advantage. What are its four building blocks?

Answer: Competitive advantage is the ability of one organization to outperform other organizations because it produces desired goods or services more efficiently and effectively than its competitors. The four building blocks of competitive advantage are superior efficiency, quality, innovation, and responsiveness to customers. Organizations increase their efficiency when they reduce the quantity of resources (such as people and raw materials) they use to produce goods or services. Companies have introduced quality-enhancing techniques known as total quality management for improving quality. 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. Organizations compete for customers with their products and services, so training employees to be responsive to customers' needs is vital for all organizations, but particularly for service organizations.

Difficulty: 2 Medium

Topic: Globalization

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

105) Discuss the concept of turnaround management.

Answer: 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. It involves developing radical new strategies, such as reducing the number of products sold or changing how they are made and distributed, or closing corporate and manufacturing operations to reduce costs. Organizations that appoint turnaround CEOs are generally experiencing a crisis because they have become inefficient or ineffective; sometimes this is because of poor management over a continuing period, and sometimes it occurs because a competitor introduces a new product or technology that makes their own products unattractive to customers.

Difficulty: 2 Medium

Topic: Globalization

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