

Student name: _____

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

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

true

false

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

true

false

The outcome of organizing is the creation of a strategy.

true

false

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.

true

false

Top managers are responsible for the performance of a specific department.

true

false

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

true

false

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

true

false

Arien is an exceptional manager in that she is able to create cohesive teams from a diverse group of people. Arien demonstrates good human skills.

true

false

Individuals who believe that they are responsible for what happens to them and that their own actions determine important outcomes are said to have an external locus of control.

true

false

A person who works for a company and works to create new or improved products for that company is an example of an intrapreneur.

true

false

Robert and Liam possess the same kinds of technical skills; typically they would become members of a specific department.

true

false

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

true

false

Organizations appoint turnaround CEOs after the organizations become more efficient and effective.

true

false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

An organization's *resources* include which of these assets?

competitors

loyal customers and employees

ethical codes

performance goals

Which definition of organizational performance is most accurate?

It is the process of obtaining, analyzing, and recording information about the relative worth of a product in the current marketplace.

It is a measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals.

It is an approach to modeling organizations based on the value-adding activities of the competing organizations.

It is a measure of the interaction among the employee culture, the managerial culture, and the culture of competitors.

A measure of how productively resources are used to achieve a goal is known as

efficiency.

effectiveness.

authenticity.

legitimacy.

Roughly 90 percent of the turns made by UPS drivers are right turns. This saves them time waiting for traffic and improves

efficiency.

effectiveness.

authenticity.

legitimacy.

What is the definition of managerial efficiency?

achieving goals regardless of resource use

increasing the time needed to produce a given output of goods

increasing production through greater resource investment

minimizing the amount of input resources needed

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

efficacy.

resourcefulness.

proficiency.

effectiveness.

Which statement about effectiveness is true?

Organizational performance increases in direct proportion to an increase in effectiveness.

It is a measure of how productively resources are used to achieve a goal.

Organizations are effective when managers minimize the amount of input resources.

Effectiveness is related to performance but not efficiency.

A company's upper management has communicated to its middle managers that they need to focus more on effectiveness. This means that the organization

uses fewer workers while maintaining productivity.

takes less time than before to produce a given output.

sets appropriate goals and achieves them.

generates employment for a large number of people.

Low efficiency/high effectiveness situations arise when managers choose the

wrong goals to pursue and make poor use of resources to achieve these goals.

right goals to pursue but do a poor job of using resources to achieve these goals.

right goals to pursue and make good use of resources to achieve these goals.

wrong goals to pursue and make good use of resources to achieve these goals.

High efficiency/high effectiveness situations result in a

high-quality product that customers do not want.

high-quality product that few customers can afford.

product that customers want at a quality and price they can afford.

product of mediocre quality that customers will buy despite its high price.

Low efficiency/low effectiveness situations result in a

product that customers want but is too expensive to buy.

product customers want at a price they can afford.

low-quality product that customers do not want.

high-quality product that customers do not want.

Carson's Toys produced beautifully made wooden trains that many customers wanted. However, the product was so expensive that most potential customers could not afford it. This scenario demonstrates

low efficiency and low effectiveness.

high efficiency and low effectiveness.

low efficiency and high effectiveness.

high efficiency and high effectiveness.

A jewelry company produces reliable, attractive watches that are reasonably priced. This scenario demonstrates

low efficiency and low effectiveness.

high efficiency and low effectiveness.

low efficiency and high effectiveness.

high efficiency and high effectiveness.

Which characteristics describe organizational performance that results in a low-quality product that customers do not want?

low efficiency and low effectiveness

high efficiency and low effectiveness

low efficiency and high effectiveness

high efficiency and high effectiveness

Which characteristics describe organizational performance that results in a high-quality product that customers do not want?

low efficiency and low effectiveness

high efficiency and low effectiveness

low efficiency and high effectiveness

high efficiency and high effectiveness

A company has low efficiency and low effectiveness. Considering this, which statement applies?

The company produces easy-to-use copy machines, thus increasing demand for them, but uses cheap resources that often make them break down.

The company produces easy-to-use copy machines, thus increasing demand for them, and uses quality resources that make them durable.

The company produces copy machines that are complicated to use, thus lowering demand for them, and uses cheap resources that often make them break down.

The company produces copy machines that are complicated to use, thus lowering demand for them, but uses quality resources that make them durable.

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

arrange a deal with the supplier to lower the cost of the resources

make sure the resources are used to make the designs even more popular

fire the jewelry designers and replace them with less artistic ones

make the jewelry less attractive, but still use the same high-quality resources

Albert is a middle manager at a large company. As such, he is MOST responsible for planning and organizing resources other than human resources.

planning, organizing, and leading resources as well as controlling them.

planning and organizing resources but not leading and controlling them.

leading and controlling resources but not planning and organizing them.

In what order do managers typically perform the managerial tasks?

organizing, planning, controlling, leading

organizing, leading, planning, controlling

planning, organizing, leading, controlling

planning, organizing, controlling, leading

Which manager has achieved the objectives of the essential managerial task of organizing?

Tim, who has chosen appropriate organizational goals

Veronica, who has set task and authority relationships that allow people to work together

Elena, who has determined courses of action to achieve organizational goals

Yuuki, who has established systems to evaluate goal achievement

What must one do to perform the essential managerial task of controlling to achieve organizational goals?

Articulate a clear organizational vision for the organization's members to accomplish by a specified deadline.

Organize people into departments according to the kinds of job-specific tasks they perform.

Identify and select appropriate organizational goals and courses of action.

Establish accurate measuring and monitoring systems to evaluate how well goals have been achieved.

Which tasks describe the essential managerial task of leading in achieving organizational goals?

motivate, coordinate, and energize individuals and groups

evaluate how well the organization has achieved its goals and communicate to direct reports

choose appropriate goals and courses of action

establish task and authority relationships to allow people to work together

The essential managerial task of planning involves

establishing task and authority relationships so that people work together.

motivating individuals and groups to work together.

choosing appropriate goals and courses of action.

evaluating how well the organization has achieved its goals.

Latosha decided that her company should expand its markets in South America and laid out a seven-step procedure to accomplish this. Which task is Latosha performing?

planning

organizing

leading

controlling

How to allocate organizational resources to pursue the strategies to attain set goals is a question addressed during the _____ management task.

regulating

planning

leading

controlling

Which of the four principal managerial tasks can help Racine understand their performance in the other three tasks?

planning

organizing

controlling

leading

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

structure.

performance.

goals.

resources.

Organizational structure is the formal system of

financial analysis and management.

task and reporting relationships.

vision creation and articulation.

goal selection and implementation.

Which term 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?

strategy

assessment

collaboration

deputation

In order to ensure that it has a competitive advantage, Housing Developers decides to acquire a smaller company in the same industry. The move is an example of a

vision.

business model.

strategy.

mission.

A manufacturing company has ten middle managers. They report to two vice presidents who report to the CEO. What does this example show?

differentiation structure

organizational structure

organizational strategy

differentiation strategy

If a management team wants to devise an effective business strategy, which course of action would it most likely take?

write an inspiring statement about the company's goals

assign a team leader to manage the process

decide how to achieve the company's goals

pass out a survey to determine how well the company has achieved its goals

Which company is involved in the task of controlling?

Avion Flights monitors its services for quality and efficiency.

MMS Ltd. puts on a motivational seminar for its employees.

Harve Peel, Incorporated, creates a new position that reports directly to the CEO.

Watermelon Farms makes the decision to increase its marketing ventures.

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

leading

planning

controlling

organizing

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

planning.

leading.

controlling.

organizing.

A regional food service company has four middle managers, one for each state it services. These managers supervise multiple customer-facing service providers. Which management task is demonstrated?

organizing

leading

controlling

planning

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 culture.

structure.

assimilation.

chart.

A short, succinct, and inspiring statement of what the organization intends to become is an organization's

goal.

strategy.

vision.

mission.

At the annual company meeting, the CEO took the stage to communicate the company's vision and to motivate the employees to work toward the company's goals and objectives. Which management task was the CEO demonstrating?

planning

organizing

controlling

leading

Which of the managerial tasks 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?

leading

planning

organizing

controlling

What is a key responsibility of a leader?

evaluating how well they themselves are performing in leading the organization

encouraging employees to perform at a high level to help the organization achieve its goals

evaluating an organization's success in reaching its goals and taking corrective actions

deciding which goals to measure and then designing control systems for them

Javel has been given the task of evaluating how well his company, Soft Shoes, Incorporated, has implemented its new marketing plan and how this implementation could be improved. Which management task has Javel been assigned?

planning

organizing

leading

controlling

Which management task gives managers the ability to measure performance accurately and regulate organizational efficiency and effectiveness?

controlling

planning

organizing

leading

Maura, a manager at Beef Shack, monitors the performance of workers in her department to determine if the quality of their work is meeting the standards of the company. Maura is engaging in which managerial task?

planning

organizing

leading

controlling

Selena, a CEO, 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. Selena is engaged in which managerial task?

planning

organizing

controlling

leading

Although Roger's company has many skilled, bright employees, they seem to lack enthusiasm for their work. What is the *best* strategy for Roger to solve this problem?

hire a pleasant manager who has achieved great results by restructuring companies like Roger's

hire a pleasant manager who is knowledgeable in the latest methods of monitoring and evaluating companies like Roger's

hire a charismatic manager who has excellent organizational skills and can efficiently achieve goals

hire a charismatic manager who strongly believes in the company and knows how to convey this belief to others

Which statement best describes first-line managers?

They are also known as supervisors.

They are at the middle of the managerial hierarchy.

They work mainly in the sales department of an organization.

They have cross-departmental responsibility.

What is true of middle managers?

They decide how the different departments should interact.

They are responsible for daily supervision of the nonmanagerial employees.

They develop skills and know-how so that the organization is efficient and effective.

They are responsible for the performance of all departments.

What is true of top managers?

They supervise nonmanagerial employees.

They help first-line managers better use resources.

They have cross-departmental responsibility.

They are responsible for a single department.

Who is most likely to be a part of the top management team?

supervisor

head nurse

chief executive officer

divisional manager

Being a part of top management at a large fast food chain, Alfonso is *most* likely to spend most of his time

planning and organizing resources.

planning and controlling nonmanagerial employees.

organizing and leading first-line managers.

organizing resources and leading first-line managers.

Thomas and Chlorinda are middle managers. Considering this, which task would they most likely do?

organize a training program that improves the skills of employees

make sure employees are filling out time cards correctly

arrange a deal with a foreign supplier of magnesium

study a report that analyzes how well departments are interacting

Helen was hired as a business consultant for a company that is floundering. Which action would Helen *most* need to take in order to change the company's fortunes?

advise middle managers on better ways to use resources

monitor the effectiveness of nonmanagerial employees

convince the CEO to change course and adopt a new approach

listen to the complaints of first-line managers

If Edward works as a first-line manager for a film production company, what would they most likely do?

work as a supporting actor in a film

organize the extras on a film set

make sure that overall film production is running smoothly

greenlight the production of a film

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

interpersonal

conceptual

technical

communication

When Boris started at his new company, he quickly became aware that his department was making a lot of production errors, not because they were sloppy but because they hadn't been properly trained. Boris was using _____ skills to diagnose the situation.

interpersonal

conceptual

technical

communication

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

analytic

cognitive

human

conceptual

Brad's team is very effective, in part because Brad is skilled at getting people to work together. Which type of managerial skill does Brad illustrate?

analytic

cognitive

human

conceptual

Rose has the skills needed to rewire the electrical systems of skyscrapers. Which type of managerial skill does Rose illustrate?

technical

communication

interpersonal

conceptual

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

strategic plan.

marketing edge.

competitive analysis.

core competency.

Ming Yue 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 job would Ming Yue describe in her article as showing technical skill?

the manager studying analytics to determine the best lineup

the batting instructor giving tips to a struggling player

the veteran player giving an inspirational speech to the team

a player telling a joke to ease tension and improve comradery

Corrine does work that requires conceptual skills. Considering this, which job would she most likely do?

write an inspirational speech for a senator

coach a governor on to how to perform in a debate

inspire a group to canvas for a political candidate

analyze demographics that show the biases of voters

Clarence is the head of the human resources department of a company. Which pair would he most likely place in the same department?

Jane, who knows how to design marketing surveys, and Mark, who knows how to repair manufacturing machines

Jane, who knows how to design marketing surveys, and José, who knows how to administer marketing surveys

José, who knows how to administer marketing surveys, and Lorraine, who know how to sell products

Lorraine, who knows how to sell products, and Mark, who knows how to repair manufacturing machines

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

a negotiation strategy to obtain resources from foreign suppliers at a reduced cost

a training seminar focused on inspiring the sales staff and improving their approach to customers

a plan to research the development of miniature video cameras that are affordable and have top-end picture resolution

a manufacturing method that streamlines the production process, thereby increasing output

Denzel is a corporate owner who wants to significantly improve the skills of his workforce in many areas. Which activity would Denzel most likely endorse?

the hiring of highly educated managers

the creation of a department focusing on research

the funding of a college specifically for his employees

the production of cheap smartphones for students

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

integrating.

telecommuting.

outsourcing.

insourcing.

Which management technique involves giving employees more authority and responsibility over how they perform their work activities?

innovation

total quality management

empowerment

outsourcing

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

innovation.

restructuring.

total quality management.

empowerment.

Tanya wants to facilitate the turnaround of her company, CTLighting, by using outsourcing. Considering this, which action would she most likely support?

firing 10 percent of her workers in the marketing department

contracting with a company in India to have it do CTLighting's marketing

combining CTLighting's research and marketing departments

allowing CTLighting's research department to have more autonomy

Eric wants to give his company a competitive advantage by using empowerment. Considering this, which action would Eric most likely support?

giving the research department more authority over its projects

combining the manufacturing and research departments and contracting a Mexican company to do marketing

using a self-managed team for research and sponsoring inspirational seminars for all of his employees

contracting a Romanian company to do customer service and eliminating the research department

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

diversified

expanded

international

global

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.

competitive

controlling

global

total

Rose Up is a florist that specializes in roses. It imports varieties from all over the world and has many varieties not found elsewhere, delivering them quickly and always fresh. Rose Up demonstrates a _____ advantage over other florists who sell roses.

competitive

controlling

distributive

competency

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.

performance

total quality

turnaround

impression

Neveen owns a company that produces organic chips called Corny Chips, Incorporated. She wants to create a competitive advantage for Corny Chips in terms of quality. With this goal in mind, what would she most likely support?

the establishment of well-trained customer service department

the use of the first organic, biodegradable packaging for chips

the implementation of a production process that speeds up output and lowers cost

the production of tasty baked chips that use pure olive oil and are reasonably priced

Maritime Electronics wants to gain a competitive advantage through innovation. Which activity would it most likely attempt?

installing better computers to assist navigational designers

using fewer resources to produce navigational equipment

offering repairs of navigational equipment at a discounted rate

creating a navigation device never used before

Julie'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 with flexibility, what should Julie do?

outsource the production of heating elements, thereby lowering costs, but slowing the production process

focus on research for a year and eventually produce a new espresso machine better than her competitor's

adapt her production process to create espresso machines similar to her competitor's without delaying production

keep the production process the same and assume that loyal customers will continue to purchase her brand

If a CEO expects his managers to significantly increase production with a minimal or no increase in cost, which outcome is *most* likely?

Managers will use inspirational methods to motivate employees.

Managers will establish a higher standard of safety.

Production quality will decline.

Managers will produce products of higher quality.

An individual who notices opportunities and decides how to mobilize resources required to start a new business venture is a(n)

decision maker.

entrepreneur.

advocate.

steward.

When entrepreneurs believe that they are responsible for what happens to them and that their own actions determine important outcomes such as the success or failure of a new business, they have

an external locus of control.

less openness to experience.

moderate need for achievement.

an internal locus of control.

An entrepreneur is likely to have

a reluctance to try new experiences.

high self-esteem.

high need for affiliation.

an external locus of control.

Members of which group may be considered intrapreneurs?

employees of an organization who notice opportunities to develop new products

employees of an organization who have worked across various industries

managers who are responsible for two or more departments within a company

managers who ensure interdepartmental transfer of skills

What is a common reason that entrepreneurs often find managing difficult?

They are too far from their companies to see the need for change.

They are unwilling to share their vision with others.

They have trouble delegating authority because of the risk involved.

They are not good at communicating their ideas with others.

Jonah is the founder of Soda Springs, a manufacturer of novelty bottled sodas that use organic ingredients. After a couple of years of successfully marketing its products to local businesses, the company attracted new investors and clients and expanded into several of the surrounding states. As part of this expansion, it hired a manager, Antonio, to be responsible for the day-to-day business of the company. However, Jonah questions all of Antonio's decisions, wanting to remain involved in every aspect of the business. This has resulted in Jonah being overextended and stressed most of the time. Karyl, Soda Spring's biggest investor and one of Jonah's mentors, knows that Jonah's creative, big-picture thinking is one of his most valuable traits. What should Karyl suggest she do?

become a co-manager with Antonio, so that he feels his authority is still respected

focus on building the kind of friendly organizational culture he envisions for the company

take on an advisory role and focus on pursuing new opportunities for Soda Springs

take management classes at the local university to develop his communication skills

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

Compare and contrast entrepreneurs and intrapreneurs, and discuss the relationship between them.

Discuss the challenges sometimes encountered by founding entrepreneurs and the skills needed to address these challenges.

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

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

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

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

What does the managerial task of organizing involve? What is its desired outcome?

Discuss the managerial task of leading. What is its desired outcome?

What does the managerial task of controlling involve?

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

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

Define competitive advantage. What are its four building blocks?

Discuss the concept of turnaround management.

Name one way that the pressure to increase an organization's performance may result in unethical behavior. What is likely to be the result of this behavior?

Answer Key

Test name: Ch01_Essentials of Contemporary Management_10e

FALSE

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.

TRUE

FALSE

TRUE

FALSE

FALSE

FALSE

TRUE

FALSE

TRUE

TRUE

FALSE

FALSE

B

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.

B

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.

A

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.

A

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.

D

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.

D

Effectiveness is a measure of the appropriateness of the goals that an organization is pursuing and the degree to which the organization achieves those goals. Organizations are effective when managers choose appropriate goals and then achieve them.

A

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.

C

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.

B

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. Reference Figure 1.1 in your eBook by using the eBook button in the resources area.

C

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. Reference Figure 1.1 in your eBook by using the eBook button in the resources area.

C

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. Reference Figure 1.1 in your eBook by using the eBook button in the resources area.

C

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. Reference Figure 1.1 in your eBook by using the eBook button in the resources area.

D

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. Reference Figure 1.1 in your eBook by using the eBook button in the resources area.

A

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. Reference Figure 1.1 in your eBook by using the eBook button in the resources area.

B

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. Reference Figure 1.1 in your eBook by using the eBook button in the resources area.

C

By producing copy machines that are complicated to use, the company has low effectiveness because its production goal is inappropriate for the marketplace. Also, by using cheap resources the company has low efficiency because it is not using resources well. Reference Figure 1.1 in your eBook by using the eBook button in the resources area.

A

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. Reference Figure 1.1 in your eBook by using the eBook button in the resources area.

B

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.

C

Typically, the order in which managers perform the managerial tasks is:

1. (1) planning,
2. (2) organizing,
3. (3) leading, and
4. (4) controlling.

B

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

D

The essential managerial task of controlling involves establishing accurate measuring and monitoring systems to evaluate how well the organization has achieved its goals. Reference Figure 1.2 in your eBook by using the eBook button in the resources area.

A

The essential managerial task of leading involves motivating, coordinating, and energizing individuals and groups to work together to achieve organizational goals.

C

The essential managerial task of planning involves choosing appropriate organizational goals and courses of action to best achieve those goals. Reference Figure 1.2 in your eBook by using the eBook button in the resources area.

A

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. (1) deciding which goals the organization will pursue,
2. (2) deciding what strategies to adopt to attain those goals, and
3. (3) deciding how to allocate organizational resources to pursue the strategies that attain those goals.

B

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. (1) deciding which goals the organization will pursue,
2. (2) deciding what strategies to adopt to attain those goals, and
3. (3) deciding how to allocate organizational resources to pursue the strategies that attain those goals.

C

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

A

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.

B

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.

A

"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.

C

"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.

B

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

C

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.

A

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.

B

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.

D

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.

A

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.

B

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.

C

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.

D

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.

A

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.

B

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.

D

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.

A

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.

D

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.

C

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.

D

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

A

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.

C

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.

C

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.

C

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.

A

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.

A

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

C

For the company to improve its fortunes, Helen 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 turn around a company.

B

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

B

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.

B

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.

C

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.

C

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.

A

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.

D

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.

B

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.

D

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

B

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

C

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

C

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

C

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.

C

Many organizations are empowering their customer service employees and giving them the authority to take the lead in providing high-quality customer service.

D

Many organizations are empowering their customer service employees and giving them the authority to take the lead in providing high-quality customer service.

B

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, Tanya would most likely have a company in India do CTLighting's marketing.

A

Giving a research department more authority is an empowering tactic.

D

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.

A

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.

A

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.

C

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.

D

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

D

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

C

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.

C

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 outside the organization, such as by using sweatshops.

B

Entrepreneurs are individuals who notice opportunities and decide how to mobilize the resources necessary to produce new and improved goods and services. Entrepreneurs make all of the planning, organizing, leading, and controlling decisions necessary to start new business ventures.

D

Entrepreneurs are likely to have a high level of self-esteem and feel competent and capable of handling most situations, including the stress and uncertainty surrounding a plunge into a risky new venture. Entrepreneurs are likely to have an internal locus of control, believing that they are responsible for what happens to them and that their own actions determine important outcomes such as the success or failure of a new business.

B

Entrepreneurs are likely to have a high level of self-esteem and feel competent and capable of handling most situations, including the stress and uncertainty surrounding a plunge into a risky new venture. Entrepreneurs are also likely to have an internal locus of control, believing that they are responsible for what happens to them and that their own actions determine important outcomes such as the success or failure of a new business.

A

Intrapreneurs are employees of existing organizations who notice opportunities to develop new or improved products and better ways to make them.

C

Very often, it turns out that the entrepreneur who initially founded the business does not have the management skills to successfully control and change the business over time. Entrepreneurs may, for example, lack an understanding of how to create the control structure necessary to manage a successful long-term strategy. Entrepreneurs also may not recognize the need to change their companies because they are so close to them; in other words, they "cannot see the forest for the trees." Frequently a founding entrepreneur lacks the skills, patience, or experience to engage in the difficult and challenging work of management. Some entrepreneurs find it difficult to delegate authority because they are afraid to risk letting others manage their company.

C

Frequently, a founding entrepreneur lacks the skills, patience, or experience to engage in the difficult and challenging work of management. Some entrepreneurs find it difficult to delegate authority because they are afraid to risk letting others manage their company. As a result, founding entrepreneurs can become overloaded, and the quality of their decision making declines. Other entrepreneurs lack the detailed knowledge necessary to establish state-of-the-art control systems or to create the organizational culture that is vital to increase organizational effectiveness. Very often, venture capitalists, the people who provide the capital to fund a new venture, lend entrepreneurs the money only if they agree from the outset to let a professional manager become the CEO of the new company. The entrepreneur then holds a senior planning and advisory role in the company, often chairing its board of directors.

Essay

Entrepreneurs are the people who notice opportunities and take responsibility for mobilizing the resources necessary to produce new and improved goods and services. Essentially, entrepreneurs bring about change to companies and industries because they see new and improved ways to use resources to create products customers will want to buy. Many people throughout an organization take responsibility for developing innovative goods and services. For example, managers, scientists, or researchers employed by existing companies engage in entrepreneurial activity when they develop new or improved products. Employees of existing organizations who notice opportunities for product or service improvements and are responsible for managing the development process are known as intrapreneurs. An interesting relationship exists between entrepreneurs and intrapreneurs. Very often intrapreneurs decide to leave their employers and start their own organizations to take advantage of their new product ideas. In other words, intrapreneurs become entrepreneurs and found companies that may compete with the companies they left.

Essay

Frequently, a founding entrepreneur lacks the skills, patience, or experience to engage in the difficult and challenging work of management. Some entrepreneurs find it difficult to delegate authority because they are afraid to risk letting others manage their company. As a result, founding entrepreneurs can become overloaded, and the quality of their decision making declines. Other entrepreneurs lack the detailed knowledge necessary to establish state-of-the-art control systems or to create the organizational culture that is vital to increase organizational effectiveness. In summary, it is necessary to do more than create a new product to succeed. An entrepreneur must hire managers who can create an operating and control system that allows a new venture to survive and prosper. Very often, venture capitalists, the people who provide the capital to fund a new venture, lend entrepreneurs the money only if they agree from the outset to let a professional manager become the CEO of the new company. The entrepreneur then holds a senior planning and advisory role in the company, often chairing its board of directors.

Essay

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.

Essay

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 of 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.

Essay

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.

Essay

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.

Essay

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.

Essay

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.

Essay

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.

Essay

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 for 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.

Essay

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.

Essay

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.

Essay

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 ineffective 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.

Essay

Pressure to increase performance can be healthy for an organization because it leads managers to question how the organization is working, and it encourages them to find new and better ways to plan, organize, lead, and control. However, too much pressure to perform can be harmful. It may induce managers to behave unethically, and even illegally, when dealing with people and groups inside and outside the organization.

The temptation to gain from practices such as these can get companies into legal trouble.

Harmful and illegal actions also can hurt a company's reputation with its suppliers and customers, as well as with the communities in which it operates. Furthermore, people of good character do not want to manage or work for such organizations.

Examples will vary.