**Chapter 01 Test Bank**

*Student: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

1. Organizations are collections of people who work together and coordinate their actions to achieve a wide variety of goals.   
  
   
True

False

2. Management is the planning, organizing, leading, and controlling of resources in order to achieve organizational goals both effectively and efficiently.  
   

True

False

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

False

4. Efficiency 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.   
  
   
True

False

5. At a recent staff meeting, Jim was praised by his CEO for always choosing the right goals to pursue. The quality that Jim displays here is efficiency.   
  
   
True

False

6. Managers affect society directly with their decisions regarding the use of resources.   
  
   
True

False

7. The Williams Brothers Company uses a formal system of task and reporting relationships that coordinates and motivates members so they work together to achieve organizational goals. This is an example of an organizational structure. 

True

False

8. As a middle manager, Jessie selects the goals for her team. The process that Jessie uses in selecting goals is called leading.

True

False

9. As a part of planning, managers establish accurate measuring and monitoring systems to evaluate how well the organization has achieved its goals.   
  
   
True

False

10. The performance level of an organization is based on how well its managers plan and develop strategies.  
   

True

False

11. Categorizing people according to their salary lays out the lines of authority and responsibility between different individuals and groups.  
   

True

False

12. Managers engaged in the controlling function of management energize their employees and ensure they understand their role in achieving organizational goals.   
  
   
True

False

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

False

14. First-line managers typically supervise middle managers.   
  
   
True

False

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

False

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

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

17. Shannon's manager is evaluating how well she uses available resources to satisfy customers and whether she is accomplishing organizational goals. This is an example of 

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

18. Which of the following correctly defines organizational performance? 

A. It increases with an increase in efficiency and effectiveness.  
B. It increases with a decrease in efficiency and effectiveness.  
C. It remains unchanged with a decrease in efficiency and effectiveness.  
D. It decreases with an increase in efficiency and effectiveness.  
E. It remains unchanged with an increase in efficiency and effectiveness.

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

A. Effectiveness  
B. Product differentiation  
C. Efficiency  
D. Empowerment  
E. Product development

20. \_\_\_\_\_ is the measure of the appropriateness of the goals selected by management for the organization and the degree to which the organization accomplishes these goals. 

A. Efficiency  
B. Task management  
C. Effectiveness  
D. Diversification  
E. Differentiation

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

A. Nico, who chooses the right goals to pursue, and spends more than he needs on resources  
B. Karen, who chooses the right goals to pursue, and makes clever use of resources to achieve them  
C. Douglas, who chooses the right goals to pursue and displays an overly rigid approach to planning  
D. Barrie, who chooses unrealistic goals, and tries hard to succeed  
E. Leo, who chooses appropriate goals, but is slow in decision making

22. Jack Sprouts Inc. is a company based in Riverdale that markets canned vegetables. In recent years, Jack Sprouts' business has declined considerably owing to a weak focus on quality. Holding the managers responsible for the declining sales figures, the CEO of Jack Sprouts decided to lay off those who lacked effectiveness and were inefficient. Who among the following is most likely to be laid off by Jack Sprouts' CEO? 

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

23. Emma is a highly efficient manager. This implies that she 

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

24. Craig is a highly effective manager. This implies that he 

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

25. A company with a high level of efficiency and effectiveness is most likely to produce 

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

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

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

27. The Clear Image Devices Company designs and develops imaging equipment. It has a low level of efficiency and high level of effectiveness, so it is most likely to produce a 

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

28. The PRP Company manufactures plastic components. The company has a low level of efficiency and low level of effectiveness, which means it is most likely to produce a 

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

29. Robert is the product manager at Digital Digs, LLC, a company that manufactures computer accessories. He is known for his effectiveness and efficiency, qualities that are highly regarded in the company where he works. Which of the following can be fittingly inferred with regard to Digital Digs? 

A. Its products meet consumer needs, but are too expensive for them to buy.  
B. Its products meet consumer needs at a price they can afford.  
C. Its products are high in quality, but customers do not want them.  
D. Its products are low in quality, but they still meet customer needs.  
E. Its products are mostly complex in design and high in quality.

30. The Art Hub makes and sells paintings, sculptures, and small craft items. Its products meet consumer needs, but are often too expensive to buy. Which of the following is most likely to be true with regard to the company? 

A. Its product manager achieves company goals and uses resources wisely.  
B. Its product manager achieves company goals but uses resources inadequately.  
C. Its product manager chooses the wrong goals to pursue and uses the resources inadequately.  
D. Its product manager chooses the right goals to pursue and uses the resources wisely.  
E. Its product manager chooses the wrong goals to pursue, but uses resources wisely.

31. Toy Town makes and sells jigsaw puzzles and strategy board games. Its products are of excellent quality, but fail to meet consumer needs. Which of the following is most likely to be true with regard to Toy Town? 

A. Its product manager chooses the wrong goals to pursue and uses the resources wisely.  
B. Its product manager chooses the wrong goals to pursue and uses the resources inadequately.  
C. Its product manager chooses the right goals to pursue and uses the resources inadequately.  
D. Its product manager chooses the right goals to pursue and uses the resources wisely.  
E. Its product manager responds quickly to change.

32. In which of the following managerial tasks do managers select appropriate goals for the organization? 

A. organizing  
B. leading  
C. planning  
D. controlling  
E. restructuring

33. Which of the following does planning involve in an organization? 

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

34. Which of the following is an element of planning? 

A. encouraging all employees to perform at a high level to help the organization achieve its vision and goals  
B. using power, personality, and communication skills to coordinate the activities of people and groups  
C. establishing alliances between different organizations to share resources and produce new goods and services  
D. deciding which goals the organization will pursue and what strategies will achieve those goals  
E. organizing people into departments according to the kinds of job-specific tasks they perform

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

A. leading  
B. organizing  
C. planning  
D. restructuring  
E. controlling

36. In which of the following managerial tasks are work relationships restructured to facilitate the interaction and cooperative efforts of organizational members, all of whom strive to achieve organizational goals? 

A. planning  
B. leading  
C. reviewing  
D. controlling  
E. organizing

37. Melissa, the HR manager of a publishing house, has been asked to increase the level of efficiency at the workplace. She decides to restructure work relationships within the company and categorize people into departments according to the kinds of job-specific tasks they perform. Which of the following managerial tasks is Melissa performing? 

A. planning  
B. leading  
C. organizing  
D. controlling  
E. consolidating

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

A. Planning  
B. Leading  
C. Reviewing  
D. Controlling  
E. Organizing

39. Which of the following managerial tasks does a manager perform when he/she articulates a clear organizational vision for the organization's members to accomplish? 

A. organizing  
B. leading  
C. staffing  
D. controlling  
E. planning

40. Which of the following tasks does a manager perform when he/she energizes employees and enables them to understand the part each of them plays in achieving organizational goals? 

A. planning  
B. leading  
C. controlling  
D. monitoring  
E. strategizing

41. \_\_\_\_\_ is the managerial task that involves managers using their power, personality, influence, persuasion, and communication skills to coordinate people and groups so their activities and efforts are in harmony. 

A. Leading  
B. Planning  
C. Strategizing  
D. Reviewing  
E. Controlling

42. In \_\_\_\_\_, managers evaluate how well the organization is accomplishing its goals. 

A. leading  
B. planning  
C. organizing  
D. disseminating  
E. controlling

43. Controlling is the managerial task that involves 

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

44. The outcome of the control process is the ability to 

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

45. Daniel, a manager at Joe's Fish Shack, monitors the performance of workers in his department to check if the quality of their work is meeting the performance standards of the company. In doing so, which managerial task is Daniel performing? 

A. planning  
B. staffing  
C. organizing  
D. structuring  
E. controlling

46. Abby, the CEO of Little Angel Photography, reviews the performance of her company over the last quarter to determine whether they are meeting the planned sales and profitability goals. In this instance, which managerial task is she performing? 

A. planning  
B. organizing  
C. delegating  
D. controlling  
E. structuring

47. According to Mintzberg's typology, a manager who commits organizational resources to develop innovative goods and services is a(n) 

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

48. According to Mintzberg's typology, a manager who establishes agreements with other organizations about pooling company resources while working on joint projects is a(n) 

A. figurehead.  
B. entrepreneur.  
C. monitor.  
D. negotiator.  
E. disseminator.

49. According to Mintzberg's typology, a manager who evaluates the performance of other managers in different tasks and takes corrective action to improve their performance is a 

A. disseminator.  
B. figurehead.  
C. monitor.  
D. spokesperson.  
E. negotiator.

50. James, the manager of Andy's Candy, a popular confectioner in Illinois, is in charge of outlining future organizational goals to employees at company meetings and emphasizing the ethical guidelines which employees are expected to follow at work. According to Mintzberg, he is performing the role of a 

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

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

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

52. Marisa informs employees about changes taking place in the external and internal environments. She explains how the changes will affect them and the organization. According to Mintzberg, she is playing the role of a(n) 

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

53. In an interview with a television channel, the Public Relations manager of KP Oil explained what his company intended to do to tackle the threat to marine life caused by an oil spill in the Pacific Ocean. The oil spill was caused by a tanker ship accident carrying crude oil for the company. According to Mintzberg, the PR manager of KP Oil is playing the role of a 

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

54. SkyGen, an airlines company, appointed an engineer to be the link between the company's R&D department and the government contractor who is sponsoring the designing and prototyping of a new fighter airplane. According to Mintzberg, the engineer appointed by SkyGen to be the link between the company's R&D department and the government contractor is playing the role of a 

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

55. Supervisors are also referred to as \_\_\_\_\_ managers. 

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

56. Which of the following is a characteristic of first-line managers? 

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

57. Which of the following is true of first-line managers? 

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

58. Middle managers are responsible for 

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

59. Which of the following is true of middle managers? 

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

60. Which of the following is true of top managers? 

A. They are often called supervisors.  
B. They are responsible for daily supervision of the nonmanagerial employees.  
C. They spend more time leading and controlling than planning and organizing.  
D. They do not establish organizational goals.  
E. They have cross-departmental responsibility.

61. Which of the following is a primary concern of top managers? 

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

62. Gerald is a mechanical engineer who can examine and detect a problem, determine cause and effect, and provide a solution. Gerald's skill is called \_\_\_\_\_\_ skill. 

A. human  
B. negotiation  
C. technical  
D. conceptual  
E. structural

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

A. conceptual  
B. human  
C. technical  
D. structural  
E. diagnostic

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

A. conceptual  
B. planning  
C. human  
D. technical  
E. leading

65. Core competency is 

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

66. Because of financial problems in the organization, using \_\_\_\_\_\_\_\_, the top management of an investment bank decided to reduce the number of middle managers by 10 percent.  

A. outsourcing  
B. restructuring  
C. task assessment  
D. empowerment  
E. delegation

67. Due to declining global sales, Makeown Ventures Inc. announced that it would lay off 12 percent of its existing workforce over the next few months. This is an example of 

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

68. Which of the following is a consequence of restructuring? 

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

69. \_\_\_\_\_ 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. 

A. Empowering  
B. Outsourcing  
C. Stratifying  
D. Controlling  
E. Innovating

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

A. Restructuring  
B. Outsourcing  
C. Empowerment  
D. Departmentalization  
E. Insourcing

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

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

72. \_\_\_\_\_ is defined as the ability of one organization to outperform other organizations because it produces desired goods or services more efficiently and effectively than its competitors. 

A. Empowerment  
B. Competitive advantage  
C. Diversification  
D. Stratification  
E. Innovation

73. \_\_\_\_\_\_\_ was recently named the top U.S. company for diversity. 

A. Wyndham Worldwide  
B. JP Morgan Chase  
C. Dell  
D. AT&T  
E. Aetna

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

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

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

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

76. MaryAnn supervises 15 people in her department. She recently met with her superiors to discuss her performance as a supervisor. Getting this feedback will help her develop her \_\_\_\_\_\_\_ skills. 

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

77. A manufacturing company that has been in business for several years decided to discontinue production of some of their low-selling products and focus on their areas of expertise. The company innovated a new product with unique value. This is an example of using 

A. competitive advantage.  
B. core competency.  
C. empowerment.  
D. management skills.  
E. management strategies.

78. A company that specializes in making computer accessories has its managers concentrate on improving the quality of one of their products. The new product is more advanced than those of their competitors, and customers are willing to pay more for the higher quality. By \_\_\_\_\_\_\_, this company outperformed its competitors by producing a product more efficiently and effectively than their competitors. 

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

79. Apple Computer's Supplier Responsibility Progress Report describes the extensive measures it takes throughout its global supply chain to ensure 

A. detail and quality in production.  
B. increases in production.  
C. that workers are treated fairly.  
D. that their use of resources is efficient.  
E. that management goals are appropriate.

80. \_\_\_\_\_\_ means providing a work environment that is physically and psychologically safe. 

A. Human resource management  
B. Workforce management  
C. Total quality management  
D. Crisis management  
E. Social responsibility

81. A manufacturing company recently developed a new vision and radical new strategies to reduce the number of products sold in order to reduce costs. The company utilized \_\_\_\_\_\_\_\_ by developing the new vision and strategies. 

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

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

A. Human  
B. Technical  
C. Conceptual  
D. Structural  
E. Departmental

83. Which of the following is a consequence of empowerment?  

A. a decrease in number of managers  
B. a decrease in effectiveness  
C. an increase in performance  
D. a decrease in performance

84. Companies are using self-managed teams to 

A. manage a diverse workforce.  
B. decrease the number of managers.  
C. better utilize the workforce.  
D. reduce costs for managers.  
E. eliminate first-line managers.

85. To increase effectiveness, middle managers 

A. suggest ways to use resources to improve customer service.  
B. evaluate whether the organization’s goals are appropriate.  
C. suggest ways to use resources to improve production.  
D. suggest ways use resources to cut costs.  
E. evaluate the performance of all departments.

86. Distinguish between efficiency and effectiveness and explain how they impact the performance of an organization.

87. Briefly discuss the four principal managerial tasks.

88. Bill was just hired as a top manager for a small corporation. The company’s profits have declined over the last few years, and Bill’s challenge is to make productive use of the workforce. Describe the three steps in the planning process and explain how the planning process can affect Bill’s ability to succeed.

89. What are the different levels of management? Explain the basic responsibilities of each.

90. Briefly describe the three different kinds of managerial skills and explain why each of the skills is critical for managers.

91. What is core competency? Explain how core competency is related to competitive advantage, and give an example of how core competency gives an organization a competitive advantage.

92. Why is it important that managers have technical skills, and how would you determine if a manager had enough technical skills?

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

94. What are the four building blocks of competitive advantage? Explain how these building blocks help organizations increase their competitive advantage.

95. Instead of trying to get people to visit the BuzzFeed website, Peretti chose to publish content, images, and videos on platforms where people spend the most time. Do you agree with Peretti’s actions? Defend your opinion.

96. BuzzFeed reorganizes its staff teams every three months to keep the video approach fresh. How does BuzzFeed justify this action?

97. Describe at least two challenges BuzzFeed faces to maintain its core values and business strategies.

98. Effective managers are those who choose the right organizational goals to pursue and have the skills to utilize resources efficiently. What decision did McDonald’s management make in 2015 that increased overall sales, and why was that decision successful?

99. How has technology transformed the entertainment industry? Explain how these changes have created new challenges for managers.

100. The argument is that the managers and employees who have lost their jobs because of outsourcing will find employment in new and growing U.S. companies where their skills and experience will be better utilized. How would you defend this statement?

Chapter 01 Test Bank Key

1. Organizations are collections of people who work together and coordinate their actions to achieve a wide variety of goals.

**TRUE**

Organizations are collections of people who work together and coordinate their actions to achieve a wide variety of goals.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Management*

2. Management is the planning, organizing, leading, and controlling of resources in order to achieve organizational goals both effectively and efficiently.   

**TRUE**

Management is the planning, organizing, leading, and controlling of resources in order to achieve organizational goals both effectively and efficiently.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Management*

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

**TRUE**

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Management*

4. Efficiency 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.  

**FALSE**

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Management*

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

**FALSE**

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Management*

6. Managers affect society directly with their decisions regarding the use of resources.  

**TRUE**

Because managers decide how to use many of a society's most valuable resources—its skilled employees, raw materials like oil and land, computers and information systems, and financial assets—they directly impact the well-being of a society and the people in it.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Management*

7. The Williams Brothers Company uses a formal system of task and reporting relationships that coordinates and motivates members so they work together to achieve organizational goals. This is an example of an organizational structure. 

**TRUE**

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Management*

8. As a middle manager, Jessie selects the goals for her team. The process that Jessie uses in selecting goals is called leading.   

**FALSE**

Managers are using the planning task to identify and select appropriate organizational goals and courses of action.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Leading*

9. As a part of planning, managers establish accurate measuring and monitoring systems to evaluate how well the organization has achieved its goals.  

**FALSE**

As a part of planning, managers choose appropriate organizational goals and courses of action to best achieve those goals.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Planning*

10. The performance level of an organization is based on how well its managers plan and develop strategies.   

**TRUE**

How well managers plan and develop strategies determines how effective and efficient the organization is.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Planning*

11. Categorizing people according to their salary lays out the lines of authority and responsibility between different individuals and groups.   

**FALSE**

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Organizing*

12. Managers engaged in the controlling function of management energize their employees and ensure they understand their role in achieving organizational goals.  

**FALSE**

Leading involves articulating a clear vision and energizing and enabling organizational members so they understand the part they play in achieving organizational goals.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Controlling*

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

**TRUE**

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Functional manager*

14. First-line managers typically supervise middle managers.  

**FALSE**

Supervising the first-line managers are middle managers, responsible for finding the best way to organize human and other resources to achieve organizational goals.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Functional manager*

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

**FALSE**

The relative importance of planning, organizing, leading, and controlling—the four principal managerial tasks—to any particular manager depends on the manager's position in the managerial hierarchy.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Management*

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

A. control group  
B. talent pool  
**C.** organization  
D. focus group  
E. quality circle

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Management*

17. Shannon's manager is evaluating how well she uses available resources to satisfy customers and whether she is accomplishing organizational goals. This is an example of

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

18. Which of the following correctly defines organizational performance? 

**A.** It increases with an increase in efficiency and effectiveness.  
B. It increases with a decrease in efficiency and effectiveness.  
C. It remains unchanged with a decrease in efficiency and effectiveness.  
D. It decreases with an increase in efficiency and effectiveness.  
E. It remains unchanged with an increase in efficiency and effectiveness.

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

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

A. Effectiveness  
B. Product differentiation  
**C.** Efficiency  
D. Empowerment  
E. Product development

A measure of how well or how productively resources are used to achieve a goal is known as efficiency. Organizations are efficient

when managers minimize the amount of input resources.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

20. \_\_\_\_\_ is the measure of the appropriateness of the goals selected by management for the organization and the degree to which the organization accomplishes these goals. 

A. Efficiency  
B. Task management  
**C.** Effectiveness  
D. Diversification  
E. Differentiation

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

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

A. Nico, who chooses the right goals to pursue, and spends more than he needs on resources  
**B.** Karen, who chooses the right goals to pursue, and makes clever use of resources to achieve them  
C. Douglas, who chooses the right goals to pursue and displays an overly rigid approach to planning  
D. Barrie, who chooses unrealistic goals, and tries hard to succeed  
E. Leo, who chooses appropriate goals, but is slow in decision making

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Bloom's: Analyze  
Difficulty: 3 Hard  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

22. Jack Sprouts Inc. is a company based in Riverdale that markets canned vegetables. In recent years, Jack Sprouts' business has declined considerably owing to a weak focus on quality. Holding the managers responsible for the declining sales figures, the CEO of Jack Sprouts decided to lay off those who lacked effectiveness and were inefficient. Who among the following is most likely to be laid off by Jack Sprouts' CEO? 

A. Elise, who is ambitious and favors directional planning  
**B.** Kerry, who spends lavishly on resources and is averse to taking responsibilities  
C. Juan, who chooses appropriate goals to pursue but does not always succeed due to resource constraints  
D. Margo, who sets high targets for herself and her team, and makes the best use of available resources to meet them  
E. Andy, who plans carefully and only chooses realistic goals to pursue

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Bloom's: Analyze  
Difficulty: 3 Hard  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

23. Emma is a highly efficient manager. This implies that she 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

24. Craig is a highly effective manager. This implies that he 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

25. A company with a high level of efficiency and effectiveness is most likely to produce 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

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

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

27. The Clear Image Devices Company designs and develops imaging equipment. It has a low level of efficiency and high level of effectiveness, so it is most likely to produce a 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

28. The PRP Company manufactures plastic components. The company has a low level of efficiency and low level of effectiveness, which means it is most likely to produce a 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

29. Robert is the product manager at Digital Digs, LLC, a company that manufactures computer accessories. He is known for his effectiveness and efficiency, qualities that are highly regarded in the company where he works. Which of the following can be fittingly inferred with regard to Digital Digs? 

A. Its products meet consumer needs, but are too expensive for them to buy.  
**B.** Its products meet consumer needs at a price they can afford.  
C. Its products are high in quality, but customers do not want them.  
D. Its products are low in quality, but they still meet customer needs.  
E. Its products are mostly complex in design and high in quality.

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

30. The Art Hub makes and sells paintings, sculptures, and small craft items. Its products meet consumer needs, but are often too expensive to buy. Which of the following is most likely to be true with regard to the company? 

A. Its product manager achieves company goals and uses resources wisely.  
**B.** Its product manager achieves company goals but uses resources inadequately.  
C. Its product manager chooses the wrong goals to pursue and uses the resources inadequately.  
D. Its product manager chooses the right goals to pursue and uses the resources wisely.  
E. Its product manager chooses the wrong goals to pursue, but uses resources wisely.

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

31. Toy Town makes and sells jigsaw puzzles and strategy board games. Its products are of excellent quality, but fail to meet consumer needs. Which of the following is most likely to be true with regard to Toy Town? 

**A.** Its product manager chooses the wrong goals to pursue and uses the resources wisely.  
B. Its product manager chooses the wrong goals to pursue and uses the resources inadequately.  
C. Its product manager chooses the right goals to pursue and uses the resources inadequately.  
D. Its product manager chooses the right goals to pursue and uses the resources wisely.  
E. Its product manager responds quickly to change.

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

32. In which of the following managerial tasks do managers select appropriate goals for the organization? 

A. organizing  
B. leading  
**C.** planning  
D. controlling  
E. restructuring

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Planning*

33. Which of the following does planning involve in an organization? 

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

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Planning*

34. Which of the following is an element of planning? 

A. encouraging all employees to perform at a high level to help the organization achieve its vision and goals  
B. using power, personality, and communication skills to coordinate the activities of people and groups  
C. establishing alliances between different organizations to share resources and produce new goods and services  
**D.** deciding which goals the organization will pursue and what strategies will achieve those goals  
E. organizing people into departments according to the kinds of job-specific tasks they perform

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Planning*

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

A. leading  
B. organizing  
**C.** planning  
D. restructuring  
E. controlling

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.

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Planning*

36. In which of the following managerial tasks are work relationships restructured to facilitate the interaction and cooperative efforts of organizational members, all of whom strive to achieve organizational goals? 

A. planning  
B. leading  
C. reviewing  
D. controlling  
**E.** organizing

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Organizing*

37. Melissa, the HR manager of a publishing house, has been asked to increase the level of efficiency at the workplace. She decides to restructure work relationships within the company and categorize people into departments according to the kinds of job-specific tasks they perform. Which of the following managerial tasks is Melissa performing? 

A. planning  
B. leading  
**C.** organizing  
D. controlling  
E. consolidating

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Organizing*

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

A. Planning  
**B.** Leading  
C. Reviewing  
D. Controlling  
E. Organizing

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Leading*

39. Which of the following managerial tasks does a manager perform when he/she articulates a clear organizational vision for the organization's members to accomplish? 

A. organizing  
**B.** leading  
C. staffing  
D. controlling  
E. planning

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Leading*

40. Which of the following tasks does a manager perform when he/she energizes employees and enables them to understand the part each of them plays in achieving organizational goals? 

A. planning  
**B.** leading  
C. controlling  
D. monitoring  
E. strategizing

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Leading*

41. \_\_\_\_\_ is the managerial task that involves managers using their power, personality, influence, persuasion, and communication skills to coordinate people and groups so their activities and efforts are in harmony. 

**A.** Leading  
B. Planning  
C. Strategizing  
D. Reviewing  
E. Controlling

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Leading*

42. In \_\_\_\_\_, managers evaluate how well the organization is accomplishing its goals. 

A. leading  
B. planning  
C. organizing  
D. disseminating  
**E.** controlling

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Controlling*

43. Controlling is the managerial task that involves 

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

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Controlling*

44. The outcome of the control process is the ability to 

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

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Controlling*

45. Daniel, a manager at Joe's Fish Shack, monitors the performance of workers in his department to check if the quality of their work is meeting the performance standards of the company. In doing so, which managerial task is Daniel performing? 

A. planning  
B. staffing  
C. organizing  
D. structuring  
**E.** controlling

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Controlling*

46. Abby, the CEO of Little Angel Photography, reviews the performance of her company over the last quarter to determine whether they are meeting the planned sales and profitability goals. In this instance, which managerial task is she performing? 

A. planning  
B. organizing  
C. delegating  
**D.** controlling  
E. structuring

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.

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Controlling*

47. According to Mintzberg's typology, a manager who commits organizational resources to develop innovative goods and services is a(n) 

**A.** entrepreneur.  
B. negotiator.  
C. figurehead.  
D. liaison.  
E. disseminator.

According to Henry Mintzberg, a manager who commits organizational resources to develop innovative goods and services is an entrepreneur.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Management*

48. According to Mintzberg's typology, a manager who establishes agreements with other organizations about pooling company resources while working on joint projects is a(n) 

A. figurehead.  
B. entrepreneur.  
C. monitor.  
**D.** negotiator.  
E. disseminator.

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Management*

49. According to Mintzberg's typology, a manager who evaluates the performance of other managers in different tasks and takes corrective action to improve their performance is a 

A. disseminator.  
B. figurehead.  
**C.** monitor.  
D. spokesperson.  
E. negotiator.

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Management*

50. James, the manager of Andy's Candy, a popular confectioner in Illinois, is in charge of outlining future organizational goals to employees at company meetings and emphasizing the ethical guidelines which employees are expected to follow at work. According to Mintzberg, he is performing the role of a 

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

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Management*

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

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

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Management*

52. Marisa informs employees about changes taking place in the external and internal environments. She explains how the changes will affect them and the organization. According to Mintzberg, she is playing the role of a(n) 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Management*

53. In an interview with a television channel, the Public Relations manager of KP Oil explained what his company intended to do to tackle the threat to marine life caused by an oil spill in the Pacific Ocean. The oil spill was caused by a tanker ship accident carrying crude oil for the company. According to Mintzberg, the PR manager of KP Oil is playing the role of a 

A. liaison.  
B. figurehead.  
C. leader.  
D. disseminator.  
**E.** spokesperson.

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Management*

54. SkyGen, an airlines company, appointed an engineer to be the link between the company's R&D department and the government contractor who is sponsoring the designing and prototyping of a new fighter airplane. According to Mintzberg, the engineer appointed by SkyGen to be the link between the company's R&D department and the government contractor is playing the role of a 

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

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Management*

55. Supervisors are also referred to as \_\_\_\_\_ managers. 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Management*

56. Which of the following is a characteristic of first-line managers? 

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

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Management*

57. Which of the following is true of first-line managers? 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
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.  
Topic: Management*

58. Middle managers are responsible for 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Middle level management*

59. Which of the following is true of middle managers? 

A. They are often called supervisors.  
B. They are responsible for daily supervision of the nonmanagerial employees.  
**C.** They make specific decisions about the production of goods and services.  
D. They are responsible for the performance of all departments.  
E. They establish long-term organizational goals.

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Middle level management*

60. Which of the following is true of top managers? 

A. They are often called supervisors.  
B. They are responsible for daily supervision of the nonmanagerial employees.  
C. They spend more time leading and controlling than planning and organizing.  
D. They do not establish organizational goals.  
**E.** They have cross-departmental responsibility.

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Top-level management*

61. Which of the following is a primary concern of top managers? 

A. supervising nonmanagerial employees  
B. training, motivating, and rewarding salespeople  
C. developing and fine-tuning employee skills  
D. supervising first-line managers  
**E.** deciding which goods a company should produce

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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.  
Topic: Top-level management*

62. Gerald is a mechanical engineer who can examine and detect a problem, determine cause and effect, and provide a solution. Gerald's skill is called \_\_\_\_\_\_ skill. 

A. human  
B. negotiation  
C. technical  
**D.** conceptual  
E. structural

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

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

A. conceptual  
**B.** human  
C. technical  
D. structural  
E. diagnostic

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

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

A. conceptual  
B. planning  
C. human  
**D.** technical  
E. leading

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

65. Core competency is 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Competitive advantage*

66. Because of financial problems in the organization, using \_\_\_\_\_\_\_\_, the top management of an investment bank decided to reduce the number of middle managers by 10 percent.  

A. outsourcing  
**B.** restructuring  
C. task assessment  
D. empowerment  
E. delegation

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

67. Due to declining global sales, Makeown Ventures Inc. announced that it would lay off 12 percent of its existing workforce over the next few months. This is an example of 

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

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

*AACSB: Reflective Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

68. Which of the following is a consequence of restructuring? 

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

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

69. \_\_\_\_\_ 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. 

A. Empowering  
**B.** Outsourcing  
C. Stratifying  
D. Controlling  
E. Innovating

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

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

A. Restructuring  
B. Outsourcing  
**C.** Empowerment  
D. Departmentalization  
E. Insourcing

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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).  
Topic: Management*

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

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
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).  
Topic: Management*

72. \_\_\_\_\_ is defined as the ability of one organization to outperform other organizations because it produces desired goods or services more efficiently and effectively than its competitors. 

A. Empowerment  
**B.** Competitive advantage  
C. Diversification  
D. Stratification  
E. Innovation

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-06 Discuss the principal challenges managers face in today’s increasingly competitive global environment.  
Topic: Management*

73. \_\_\_\_\_\_\_ was recently named the top U.S. company for diversity. 

A. Wyndham Worldwide  
**B.** JP Morgan Chase  
C. Dell  
D. AT&T  
E. Aetna

JP Morgan Chase was recently named the top U.S. company for diversity by the National Business Inclusion Consortium and the National Gay & Lesbian Chamber of Commerce.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-06 Discuss the principal challenges managers face in today’s increasingly competitive global environment.  
Topic: Diversity*

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

A. Total quality management  
B. Innovation  
C. Crisis management  
**D.** Turnaround management  
E. Restructuring

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.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-06 Discuss the principal challenges managers face in today’s increasingly competitive global environment.  
Topic: Management*

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

A. Competitive advantage  
B. Total quality management  
C. Turnaround management  
**D.** Innovation  
E. Core competency

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: 1 Easy  
Gradable: automatic  
Learning Objective: 01-06 Discuss the principal challenges managers face in today’s increasingly competitive global environment.  
Topic: Competitive advantage*

76. MaryAnn supervises 15 people in her department. She recently met with her superiors to discuss her performance as a supervisor. Getting this feedback will help her develop her \_\_\_\_\_\_\_ skills. 

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

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

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: automatic  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

77. A manufacturing company that has been in business for several years decided to discontinue production of some of their low-selling products and focus on their areas of expertise. The company innovated a new product with unique value. This is an example of using 

A. competitive advantage.  
**B.** core competency.  
C. empowerment.  
D. management skills.  
E. management strategies.

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

*AACSB: Analytical Thinking  
Bloom's: Analyze  
Difficulty: 2 Medium  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Competitive advantage*

78. A company that specializes in making computer accessories has its managers concentrate on improving the quality of one of their products. The new product is more advanced than those of their competitors, and customers are willing to pay more for the higher quality. By \_\_\_\_\_\_\_, this company outperformed its competitors by producing a product more efficiently and effectively than their competitors. 

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

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

*AACSB: Analytical Thinking  
Blooms: Apply  
Difficulty: 2 Medium  
Learning Objective: 01-06 Discuss the principal challenges managers face in today’s increasingly competitive global environment.  
Topic: Competitive advantage*

79. Apple Computer's Supplier Responsibility Progress Report describes the extensive measures it takes throughout its global supply chain to ensure 

A. detail and quality in production.  
B. increases in production.  
**C.** that workers are treated fairly.  
D. that their use of resources is efficient.  
E. that management goals are appropriate.

Apple’s 2016 Supplier Responsibility Progress Report describes the extensive measures it is taking to ensure that the 1.6 million workers who work throughout its global supply chain are treated fairly and safely.

*AACSB: Analytical Thinking  
Blooms: Remember  
Difficulty: 1 Easy  
Learning Objective: 01-06 Discuss the principal challenges managers face in today’s increasingly competitive global environment.  
Topic: Corporate Social Responsibility*

80. \_\_\_\_\_\_ means providing a work environment that is physically and psychologically safe. 

A. Human resource management  
B. Workforce management  
C. Total quality management  
D. Crisis management  
**E.** Social responsibility

Social responsibility centers on deciding what obligations a company has toward the people and groups affected by its activites—such as employees, customers, or the cities in which it operates. Some companies have strong views about social responsibility; their managers believe they should protect the interest of others.

*AACSB: Analytical Thinking  
Blooms: Understand  
Difficulty: 1 Easy  
Learning Objective: 01-06 Discuss the principal challenges managers face in today’s increasingly competitive global environment.  
Topic: Corporate Social Responsibility*

81. A manufacturing company recently developed a new vision and radical new strategies to reduce the number of products sold in order to reduce costs. The company utilized \_\_\_\_\_\_\_\_ by developing the new vision and strategies. 

**A.** turnaround management  
B. crisis management  
C. total quality management  
D. stratification  
E. restructuring

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

*AACSB: Analytical Thinking  
Blooms: Understand  
Difficulty: 1 Easy  
Learning Objective: 01-06 Discuss the principal challenges managers face in today’s increasingly competitive global environment.  
Topic: Management*

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

A. Human  
**B.** Technical  
C. Conceptual  
D. Structural  
E. Departmental

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

*AACSB: Analytical Thinking  
Blooms: Remember  
Difficulty: 1 Easy  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

83. Which of the following is a consequence of empowerment?  

A. a decrease in number of managers  
B. a decrease in effectiveness  
**C.** an increase in performance  
D. a decrease in performance

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

*AACSB: Analytical Thinking  
Blooms: Understand  
Difficulty: 2 Medium  
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).  
Topic: Management*

84. Companies are using self-managed teams to 

A. manage a diverse workforce.  
B. decrease the number of managers.  
**C.** better utilize the workforce.  
D. reduce costs for managers.  
E. eliminate first-line managers.

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

*AACSB: Analytical Thinking  
Blooms: Understand  
Difficulty: 1 Easy  
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).  
Topic: Management*

85. To increase effectiveness, middle managers 

A. suggest ways to use resources to improve customer service.  
**B.** evaluate whether the organization’s goals are appropriate.  
C. suggest ways to use resources to improve production.  
D. suggest ways use resources to cut costs.  
E. evaluate the performance of all departments.

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

*AACSB: Analytical Thinking  
Blooms: Understand  
Difficulty: 2 Medium  
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.  
Topic: Middle level management*

86. Distinguish between efficiency and effectiveness and explain how they impact the performance of an organization.

Efficiency is a measure of how well or how productively resources are used to achieve a goal. Effectiveness, on the other hand, 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. Organizational performance increases in direct proportion to increases in efficiency and effectiveness.

*AACSB: Analytical Thinking  
Bloom's: Analyze  
Difficulty: 2 Medium  
Gradable: manual  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Controlling*

87. Briefly discuss the four principal managerial tasks.

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

*AACSB: Analytical Thinking  
Blooms: Remember  
Difficulty: 2 Medium  
Gradable: manual  
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.  
Topic: Management*

88. Bill was just hired as a top manager for a small corporation. The company’s profits have declined over the last few years, and Bill’s challenge is to make productive use of the workforce. Describe the three steps in the planning process and explain how the planning process can affect Bill’s ability to succeed.

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

*AACSB: Analytical Thinking  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: manual  
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.  
Topic: Planning*

89. What are the different levels of management? Explain the basic responsibilities of each.

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

*AACSB: Analytical Thinking  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: manual  
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.  
Topic: Management*

90. Briefly describe the three different kinds of managerial skills and explain why each of the skills is critical for managers.

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

*AACSB: Analytical Thinking  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: manual  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

91. What is core competency? Explain how core competency is related to competitive advantage, and give an example of how core competency gives an organization a competitive advantage.

The term *core competency* refers to the specific set of departmental skills, knowledge, and experience that allows an organization to outperform its competitors. Departmental skills that create a core competency give an organization a competitive advantage. For example, when a company innovates a product with high quality at a lower price, it is a major source of competitive advantage.

*AACSB: Analytical Thinking  
Bloom's: Analyze  
Difficulty: 2 Medium  
Gradable: manual  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Competitive advantage*

92. Why is it important that managers have technical skills, and how would you determine if a manager had enough technical skills?

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 variety of technical skills managers need depends on their position in their organizations. I would make sure the manager had the technical skills to monitor, train, and supervise employees so their job-specific skills and expertise increase and they become more productive.

*AACSB: Analytical Thinking  
Bloom's: Evaluate  
Difficulty: 2 Medium  
Gradable: manual  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

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

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

*AACSB: Analytical Thinking  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: manual  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

94. What are the four building blocks of competitive advantage? Explain how these building blocks help organizations increase their competitive advantage.

The four building blocks of competitive advantage are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers. In today’s competitive environment, organizations must continually search for new ways to use their resources to improve efficiency or gain competitive advantage by providing new or improved goods or customer services and by being responsive to customer needs.

*AACSB: Analytical Thinking  
Bloom's: Analyze  
Difficulty: 2 Medium  
Gradable: manual  
Learning Objective: 01-06 Discuss the principal challenges managers face in today’s increasingly competitive global environment.  
Topic: Competitive advantage*

95. Instead of trying to get people to visit the BuzzFeed website, Peretti chose to publish content, images, and videos on platforms where people spend the most time. Do you agree with Peretti’s actions? Defend your opinion.

Peretti made a good decision. He made the change when he learned that most people did not want to leave their social apps to go and find information. BuzzFeed now provides a global network for news and entertainment across more than 30 social platforms and generates more than 7 billion views each month.

*AACSB: Analytical Thinking  
Bloom's: Evaluate  
Difficulty: 2 Medium  
Gradable: manual  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Globalization*

96. BuzzFeed reorganizes its staff teams every three months to keep the video approach fresh. How does BuzzFeed justify this action?

BuzzFeed thrives on developing and controlling the original content it produces. Its employees are organized in teams of seven, and each team works on a specific type of video. BuzzFeed wants to keep the creative process fresh and fun and ensure that no one gets complacent (bored).

*AACSB: Analytical Thinking  
Bloom's: Evaluate  
Difficulty: 2 Medium  
Gradable: manual  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Management*

97. Describe at least two challenges BuzzFeed faces to maintain its core values and business strategies.

(1) BuzzFeed must coordinate activities of a larger workforce working across the globe on multiple projects on different platforms. (2) BuzzFeed must maintain the fun-loving culture that helped the organization grow and thrive. (3) BuzzFeed must work to ensure that each of its divisions works together toward their common objective, and doing so in a cost-effective manner.

*AACSB: Analytical Thinking  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: manual  
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.  
Topic: Management*

98. Effective managers are those who choose the right organizational goals to pursue and have the skills to utilize resources efficiently. What decision did McDonald’s management make in 2015 that increased overall sales, and why was that decision successful?

McDonald’s management decided to provide breakfast service to attract more customers. Sales of breakfast food accounted for more than one-third of company revenues over the years, so McDonald’s chose an appropriate goal and had the skills to utilize resources efficiently.

*AACSB: Analytical Thinking  
Blooms: Apply  
Difficulty: 2 Medium  
Gradable: manual  
Learning Objective: 01-01 Describe what management is, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.  
Topic: Management*

99. How has technology transformed the entertainment industry? Explain how these changes have created new challenges for managers.

Consumers increasingly prefer to watch digital content. A new challenge is the demand for creating content; and distribution for streaming subscription services such as Netflix has increased. Another new challenge is piracy, which has the potential to undermine the production of new movies, music, and television. Managers must now mitigate the distribution and use of pirated content.

*AACSB: Analytical Thinking  
Blooms: Understand  
Difficulty: 2 Medium  
Gradable: manual  
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.  
Topic: Management*

100. The argument is that the managers and employees who have lost their jobs because of outsourcing will find employment in new and growing U.S. companies where their skills and experience will be better utilized. How would you defend this statement?

Outsourcing increases efficiency because it lowers operating costs, freeing up money and resources that can be used in more effective ways—for example, to develop new products that will require new managers and employees.

*AACSB: Analytical Thinking  
Bloom's: Analyze  
Difficulty: 3 Hard  
Gradable: manual  
Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.  
Topic: Management*

Chapter 01 Test Bank Summary

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| --- | --- |
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| 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. | 33 |
| 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. | 12 |
| Learning Objective: 01-04 Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. | 16 |
| 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). | 4 |
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