

2025–2026 Competitive Events Guidelines

Foundations of Management



Foundations of Management challenges members to demonstrate their understanding of fundamental management principles through an objective test. This event covers topics such as planning, organizing, leading, and controlling within business environments, as well as leadership styles, team dynamics, and decision-making.

Event Overview

Division	Collegiate
Event Type	Individual
Event Category	Objective Test
Event Elements	50-minute test, 100-multiple choice questions

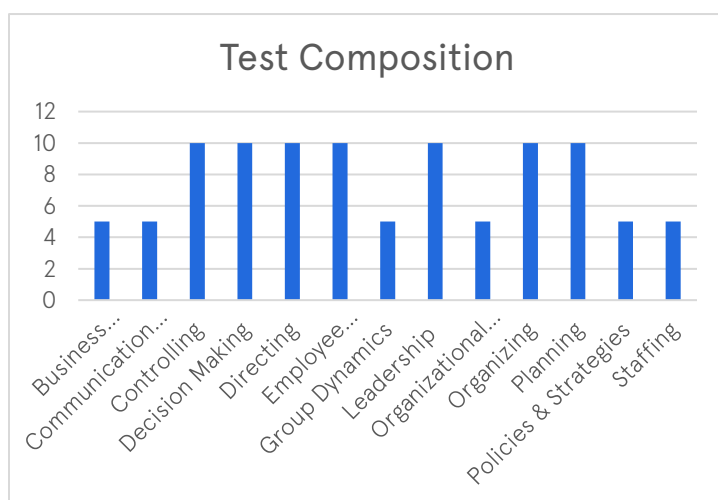
Educational Alignments

Career Cluster Framework Connection	Management & Entrepreneurship
NACE Competency Alignment	Career & Self-Development, Communication, Critical Thinking, Leadership, Professionalism, Technology

This event is intended for students who are early in their collegiate academic journey and just beginning their study of management. Only members who have completed no more than six credit hours on a semester schedule (or the equivalent number of quarter hours) of college-level management coursework by May 1, 2026, are eligible to compete.

Knowledge Areas

- Business Environment
- Communication Techniques
- Controlling
- Decision Making
- Directing
- Employee Motivation Theories
- Group Dynamics
- Leadership
- Organization Structure
- Organizing
- Planning
- Policies & Strategies
- Staffing



Test questions are based on the knowledge areas and objectives outlined for this event. Detailed objectives can be found in the study guide included in these guidelines.

State

Check with your State Leader for state-specific competition information and deadlines.

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National

Required Competition Items

Items Competitor Must Provide	Items FBLA Provides On-site
- Sharpened pencil - Fully powered device for online testing - Conference-provided nametag Photo identification - Attire that meets the FBLA Dress Code	- One piece of scratch paper per competitor - Internet access - Test login information (link & password provided at test check-in)

Important FBLA Documents

- Competitors should be familiar with the Competitive Events [Policy & Procedures Manual](#), [Honor Code](#), [Code of Conduct](#), and [Dress Code](#).

Eligibility Requirements

To participate in FBLA competitive events at the National Leadership Conference (NLC), the following criteria must be met:

- Membership Deadline:** FBLA national membership dues must be paid to the specific division by 11:59 p.m. Eastern Time on March 1 of the current school year.
- Conference Registration:** Members must be officially registered for the NLC and must pay the national conference registration fee to participate.
- Official Hotel Requirement:** To be eligible to compete, competitors must stay within the official FBLA housing block.
- State Entry Limits:** Each state may submit up to four entries per event.
- Event Participation Limits:** Each member may participate in:
 - Two individual or team events, and
 - One chapter event (e.g., *Community Service Project* or *State of Chapter Presentation*).
- Participation Requirement:** To be eligible for an award, each competitor must complete all components of the event at the National Leadership Conference.
- Identification at Check-in:** Competitors must present valid photo identification (physical or digital) that matches the name on their conference name badge. Acceptable forms include a driver's license, passport, state-issued ID, or school ID.
- Late Arrivals:** Competitors will be allowed to compete until such time that the results are finalized, or participation would impact the fairness and integrity of the event, as determined by Competitive Events staff. Five penalty points will be assessed for late arrivals in any competitive event.
- Event Schedule Notes:**
 - Some events may begin before the Opening Session.
 - All schedules are posted in local time for the NLC host city.
 - Schedule changes are not permitted.

Event Administration

- Test Duration:** 50 minutes
- Format:** This event consists of an online objective test that is proctored and completed on-site at the National Leadership Conference (NLC).

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- **Materials:** Reference or study materials are not permitted at the testing site.
- **Calculators:** Personal calculators are not allowed; an online calculator will be available within the testing platform.
- **Question Review:** Competitors may flag questions within the testing platform for review prior to the finalization of results at the NLC.

Scoring

- Each correct answer is worth one point.
- No points are deducted for incorrect answers.
- Tiebreakers are determined as follows: (1) The number of correct responses to 10 pre-selected tiebreaker questions will be compared. (2) If a tie remains, the number of correct responses to 20 pre-selected questions will be reviewed. (3) If a tie still remains, the competitor who completed the test in the shortest amount of time will be ranked higher.
- Results announced at the National Leadership Conference are considered official and will not be changed after the conclusion of the National Leadership Conference.

Penalty Points

- Competitors may be disqualified if they violate the Code of Conduct or the Honor Code.
- Five points are deducted if competitors do not follow the Dress Code or are late to the testing site.

Recognition

- A maximum of 10 entries (individuals or teams) may be recognized per event.

Americans with Disabilities Act (ADA)

- FBLA complies with the Americans with Disabilities Act (ADA) by providing reasonable accommodations for competitors. Accommodation requests must be submitted through the conference registration system by the official registration deadline. All requests will be reviewed, and additional documentation may be required to determine eligibility and appropriate support.

Electronic Devices

- Unless approved as part of a documented accommodation, all cell phones, smartwatches, electronic devices, and headphones must be turned off and stored away before the competition begins. Visible devices during the event will be considered a violation of the FBLA Honor Code.

Sample Preparation Resources

- Official sample test items can be found in [CONNECT](#). These sample items showcase the types of questions that may be asked on the test and familiarize competitors with the multiple-choice item options.

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Study Guide: Knowledge Areas and Objectives

A. Business Environment

1. Explain the impact of business on the environment.
2. Explain the nature of managerial ethics and demonstrate ethical behaviors in the workplace – responsible behavior, honesty, integrity, and ethical work habits.
3. Describe current and emerging trends in business (e.g., acquisition/downsizing, e-commerce, data mining, labor market, and social issues).
4. Differentiate social, ethical, and environmental issues facing business.
5. Describe the impact of demographic issues on business.
6. Evaluate the impact of liaisons with community, governmental, and professional organizations on the business environment.
7. Construct an initial survey regarding possible locations for a business within the community.
8. Plan physical layout, furnishings, and equipment for a business environment and analyze for maximum efficiency.
9. Identify stressors in the business environment and employ strategies for dealing with stress.

B. Communication Techniques

1. Define communication (formal and informal) and discuss its implication for effective management.
2. Describe the communication process.
3. Examine communication barriers and ways to eliminate them.
4. Define active listening and review the keys to effective listening.
5. Describe the role of computer networks, videoconferences, and telecommuting as organizational communication.
6. Discuss the communication skills and leadership styles required in a contemporary organization and analyze how they will be required within worker groups.
7. Use correct grammar, punctuation, terminology, and communication skills to produce and edit clearly written traditional and electronic documents.
8. Prepare a meeting plan/agenda and demonstrate a productive meeting.
9. Prepare and deliver a presentation to achieve greatest impact.
10. Demonstrate effective communication techniques and skills in working with individuals, groups, and supervisors (e.g., verbal and nonverbal).

C. Controlling

1. Define control and its role and importance.
2. Describe controls in the functional areas to include human resources, production, marketing, information, and financial activities.
3. Identify the steps of the control process.
4. Identify and compare three types of control: preventative, concurrent, and corrective.
5. Describe the nature of managerial control (e.g., control process, types of control, and what is controlled).
6. Identify areas of control: costs, inventories, quality, safety, and employees.

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7. Discuss steps to change negative attitudes and manage change in organizations.
 8. Analyze and understand the importance and purpose of financial information and statements.
 9. Track performance of a business plan.
 10. Develop and implement budgets and expense-control strategies to enhance a business's financial well-being.
 11. Manage quality-control processes to minimize errors and to expedite workflow.
 12. Develop and analyze process control charts to include Pareto Charts, Histograms, X-bar and R-charts, Flow Charts, Cause and Effect Diagrams, and Scatter Diagrams.
 13. Describe the basic concept behind Total Quality Management and its application to a business.
 14. Describe the concepts behind Six Sigma, ISO 9000, and similar systems.
- D. Decision Making
1. Define the role of decision making and problem solving.
 2. Compare advantages and disadvantages of group versus individual decision making.
 3. Define key stakeholders and their roles in making high-quality decisions.
 4. Use information management techniques, data analysis, and strategies to guide business decision making (e.g., describe current business trends, monitor internal records for business information, and interpret statistical findings).
 5. Write internal and external analytical reports that examine a problem/issue and recommend an action.
 6. Distinguish between making effective decisions in a team structure vs. a non-team structure and individual versus group.
 7. Discuss different decision-making styles, group decision making, the management of creative people, and techniques to maximize the effectiveness of decision making.
 8. Analyze the impact and relationship of government regulations and community involvement on business management decisions.
 9. Establish decision making processes that work across organizational boundaries.
 10. Effectively assess and manage risk by critically evaluating costs, risks, benefits, and impact.
- E. Directing
1. Identify and describe the directing function of management.
 2. Cite the principles of effective delegating and directing.
 3. Compare and contrast leadership styles: autocratic, democratic, and laissez-faire.
 4. Explain management theories: Theories X, Y, Z, Herzberg's, and Maslow's Hierarchy of Needs.
 5. Explain the nature of a project life cycle.
 6. Prioritize tasks to be completed, develop timelines, and track progress and results.
 7. Use project management skills and information technology tools to improve workflow and minimize costs.

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8. Perform scheduling functions to facilitate on-time, prompt completion of work activities.
 9. Manage business records to maintain needed documentation.
 10. Prepare documentation of business activities to communicate with internal/external clients.
 11. Establish procedures to maintain equipment and supplies.
 12. Explain the concept of authority, delegation, responsibility, and accountability as a requirement of any managerial position.
- F. Employee Motivation Theories
1. Identify and compare various motivation theories and explain their importance for understanding employee behavior including job rotation, job enlargement, and job enrichment.
 2. Define motivation and discuss actions and techniques to maximize motivation in the workplace.
 3. Describe techniques managers use to motivate individual employees (e.g., goal setting, management, cross-training, empowerment, and self-direction).
 4. Coach employees and support performance with effective feedback.
 5. Identify motivational lessons taught by Maslow's theory and Herzberg's theory.
 6. Discuss extrinsic rewards and intrinsic rewards to motivate the workforce.
 7. Describe the contributions of quality circles to job performance.
 8. Describe how staff growth and development increase productivity and employee satisfaction.
 9. Develop a program for improving employee satisfaction and performance evaluation.
 10. Define empowerment and discuss principles and procedures involved with employee empowerment.
 11. Discuss methods for improvement of employee morale.
 12. Discuss techniques to manage stress effectively.
- G. Group Dynamics
1. Describe the approaches and methods used to build teams.
 2. Discuss the importance of teams and utilize new approaches for systematically involving others in team communication, team visioning, and decision making.
 3. Identify the stages of group development.
 4. Describe the significance of cohesiveness, roles, norms, and ostracism in regard to the behavior of group members.
 5. Describe the types of work groups in the United States and discuss the various group dynamics that can be identified during this evolution.
 6. Identify the characteristics of effectively functioning teams and how the supervisor encourages their development.
 7. Describe the principles of managing group conflict and difficult team behaviors.
 8. Show the benefits of self-managed work teams.
- H. Leadership
1. Discuss the five managerial functions (e.g., planning, organizing, staffing, directing, and controlling) within the context of today's diverse workforce.
 2. Identify how technology is changing the supervisor's job.

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3. Define leadership and describe the difference in manager, leader, and supervisor.
 4. Differentiate between task-centered and people-centered leadership behaviors.
 5. Describe a variety of leadership theories and models.
 6. Identify important qualities, behaviors, skills, and characteristics of effective leaders.
 7. Evaluate business situations to determine whether the leadership style is participative, autocratic, leadership grid based or entrepreneurial.
 8. Evaluate business situations for appropriate use of team leadership versus solo leadership.
- I. Organizational Structure
1. Identify and provide examples of basic ownership forms and evaluate the advantages and disadvantages of each form of ownership.
 2. Identify types of organization structure: line, line and staff, matrix, team, committee, and grapevine; centralized vs. decentralized; and understand organization charts.
 3. Develop an organizational plan and structure to facilitate business activities.
 4. Describe the types of organizational structures and discuss their relationship to the success or failure of organizations.
 5. Identify management levels and describe the interaction between and among management levels.
 6. Identify functions of organizational culture and describe how to create, sustain, and change an organizational culture.
 7. Describe formal and informal organizational structures.
- J. Organizing
1. Define organizing and empowerment.
 2. Describe work specialization.
 3. Identify the value of job descriptions.
 4. List the steps of delegation.
 5. Utilize organizational and project management skills to improve workflow, minimize costs, and monitor and evaluate business projects.
 6. Explain the importance of organizing in business.
 7. Describe how an organization provides accountability by delegating authority and assigning responsibility.
 8. Identify major management tasks involved in implementing the work of an organization.
 9. Define lean management and explain its implementation in organizations.
 10. Organize business activities related to the company's vision, mission, and values to achieve established action plans.
- K. Planning
1. Compare and contrast the planning function to other management functions.
 2. Explain what planning is and the importance of planning.
 3. Define time management and identify effective time management guidelines.
 4. Define how plans should link from the top to the bottom of the organization, utilizing the definitions of strategic and tactical planning.

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5. Describe Gantt and PERT charts.
 6. Identify components common to management by objective (MBO) programs.
 7. Distinguish between strategic (long-term) and operational (short-term) plans.
 8. Describe the strategic planning process and assess how strategic planning impacts the organization and the individual.
 9. Develop and identify examples of strategic plans, tactical plans, and operational plans.
 10. Create or select measurable outcomes to meet organization, program, or unity objective.
 11. Explain the purpose, list the parts of a business plan, and develop an effective business plan.
 12. Identify and use planning tools (e.g., business and action plans, company goals and objectives, budgets, policies, SWOT, and benchmarks) to guide the organization's activities.
 13. Identify and assess business risks, select risk-management strategies, and develop and evaluate a risk management plan.
 14. Analyze the components of a financial plan.
 15. List and explain the types of plans: strategic, intermediate, operational, and contingency.
- L. Policies and Strategies
1. Define SWOT and conduct an organizational SWOT.
 2. List the steps in strategic management.
 3. Explain the nature and scope of quality management practices and frameworks (e.g., Six Sigma, ITIL, and CMMI) within a business.
 4. Develop, interpret, and explain written organizational policies and procedures to help employees perform their jobs according to employer rules and expectations.
 5. Determine alternative actions to take when goals are not being met.
 6. Develop and implement security policies/procedures to protect employees and to minimize the chance for loss.
 7. Implement personal and job site safety rules and regulations to maintain safe and healthy working conditions and environments.
- M. Staffing
1. Discuss HR related laws and how they influence human resource decisions, including: Civil Rights Act, American with Disabilities Act, and the Family and Medical Leave Act.
 2. Discuss the effects of the National Labor Relations Act of 1935 (Wagner Act) and the Labor Management Relations Act of 1947 (Taft-Hartley Act) on labor relations.
 3. Develop a staffing plan and prioritize staffing needs to minimize costs while maximizing business contribution.
 4. Discuss the purposes of the orientation and training of employees.
 5. Identify methods/procedures for recruiting employees, publicizing job openings, interviewing, and selecting applicants for employment.

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6. Discuss management factors and outline the procedures used in employee performance documentation, promotion, and termination including grievance processes.
7. Review legal issues (e.g., harassment, employee rights, privacy, drug testing, labor dispute, discrimination, and substance abuse) and the potential impact on the business.
8. Resolve staff issues/problems to enhance productivity and improve employee/employer relationships.
9. Define job analysis, job descriptions, and job specifications.