

Chapter 02 - The Evolution of Management Thought

**Chapter 02**  
**The Evolution of Management Thought**

**True / False Questions**

1. The development of mass-production manufacturing is attributed to manufacturing managers at Ford Manufacturing.  
True   False
  
2. Ford Manufacturing moved from small batch production to mass-production manufacturing to increase efficiency.  
True   False
  
3. The development of "lean manufacturing" is attributed to manufacturing managers at Ford.  
True   False
  
4. The idea of "lean manufacturing" relies on workers performing narrow, specialized tasks.  
True   False
  
5. Adam Smith reasoned that a group of workers who each performed many tasks could produce a product faster than workers who were specialized at their specific tasks.  
True   False
  
6. Scientific management theory holds that the most efficient division of labor can best be determined by intuitive knowledge.  
True   False
  
7. According to the principles of Scientific Management, the way to create the most efficient work system was by having workers perform both more tasks and more complex tasks.  
True   False

8. Scientific management caused many workers to distrust management.

True False

9. Andrew Carnegie was able to create the most successful industrial company of his day, Carnegie Steel, by empowering his workers.

True False

10. Max Weber described a system of administration designed to insure both efficiency and effectiveness that is called "bureaucracy".

True False

11. Authority gives managers the right to direct and control their subordinates' behavior to achieve organizational goals.

True False

12. In a bureaucracy, the authority of a manager should be based on their performance.

True False

13. Rules are formal, written instructions that specify what workers should do on the job.

True False

14. Standard operating procedures are general, sometimes informal instructions as to how workers should perform an aspect of their work task.

True False

15. Norms are written, formal codes of conduct which prescribe how workers should act in particular situations.

True False

16. According to Fayol's principles, workers should be given more job duties to perform but should be encouraged to assume less responsibility for their work outcomes.

True False

17. Fayol believed that "dual command" increased efficiency and verified the formal hierarchy of authority.

True False

18. The line of authority that depicts the authority of managers at the top over employees at the bottom of the organization is called the "chain of command."

True False

19. According to Fayol, the fewer the number of levels in the hierarchy of the chain of command of an organization, the faster the pace of the planning and organizing within the organization.

True False

20. Fayol believed that authority should be decentralized and not be concentrated at the top of the chain of command of the organization.

True False

21. When authority is centralized, only managers at the top of the organization make important decisions.

True False

22. Fayol did recommend the use of organizational charts to show the position and duties of managers within the organization.

True False

23. Esprit de corps is the French expression that refers to shared feelings of comradeship and enthusiasm.

True False

24. Peters and Waterman's In Search of Excellence identified three major principles to guide managers. These three principles verify Fayol's principles.

True False

25. In the Hawthorne studies, researchers found that as they raised and lowered the level of illumination, the workers' productivity increased.

True False

26. The Human relations movement advocated that supervisors be behaviorally trained to manage subordinates in ways that elicit their cooperation and increase their productivity.

True False

27. The Hawthorne effect suggested that workers' attitudes toward their managers have little to no affect on the level of workers' performance.

True False

28. Theory Y assumes that workers are lazy, dislike work, and will try to do as little work as possible.

True False

29. Theory Y assumes that workers are not lazy, do not dislike work, and will do what is good for the organization.

True False

30. Henry Ford's approach to management more closely reflects the assumptions of Theory X than Theory Y.

True False

31. Hewlett-Packard established a philosophy of management known as the "HP Way" that is people-oriented, stresses the importance of treating every person with consideration and respect, and offers recognition for achievements. This philosophy of management is consistent with Theory X.

True False

32. Trader Joe's approach to management is to create a policy of promotion from within the company so that the highest-performing salespeople could rise to become store captains and beyond in the organization. Trader Joe's always recognizes the need to treat employees (people) in a fair and equitable way. This philosophy of management is consistent with Theory Y.

True False

33. The use of information technology detracts from the usefulness of management science approaches.

True False

34. Management science theory is a contemporary approach to management that focuses on the use of rigorous qualitative techniques to help managers make maximum use of organizational resources to produce goods and services.

True False

35. Managers must only focus on influencing the behavior within organizations because they have no control over the organization's relationship with its external environment.

True False

36. The contingency theory suggests that there is only one best way to organize.

True False

37. Typically, managers who work in a mechanistic structure can react more quickly to change than managers who work in an organic structure.

True False

**Multiple Choice Questions**

38. Small workshops run by skilled workers who produced hand-manufactured products was a system known as:

- A. NUMMI
- B. Small batch production
- C. Mass production manufacturing
- D. Crafts production
- E. Automation

39. F.W. Taylor founded the early study of management thought which became known as:

- A. Time and motion study
- B. Scientific management
- C. Fordism
- D. Management Science Theory
- E. Theory X

40. Early "time-and-motion" studies were an important part of the work of:

- A. Elton Mayo
- B. F.W. Taylor
- C. William Ouchi
- D. Daniel Katz
- E. Lawrence & Lorsch

41. What is the process by which a division of labor occurs as different workers specialize in tasks?

- A. Job specialization
- B. Systems management
- C. Management science
- D. Job rotation
- E. Scientific management

42. Which of the following was NOT part of "Fordism"?

- A. Checking on how employees lived
- B. Doubling wages
- C. Cutting back on work hours
- D. Not permitting employees to talk while on the line
- E. Employee involvement

43. The Gilbreths are best known for their studies of:

- A. Fatigue
- B. Administrative management
- C. Human relations
- D. Management science
- E. Bureaucracy

44. The power to hold workers accountable for their actions and to make decisions about the use of organizational resources is known as:

- A. Power
- B. Job specialization
- C. Authority
- D. Centralization
- E. Unity of Command

45. Which of the following gives managers the right to direct and to control their subordinates in order to attempt to accomplish organizational goals?

- A. Theory X
- B. Centralization
- C. Esprit de corps
- D. Authority
- E. Discipline

46. Formal written instructions that specify actions to be taken under different circumstances to achieve specific goals are known as:

- A. Rules
- B. Norms
- C. Esprit de corps
- D. Standard operating procedures
- E. SOPs

47. Specific written instructions as to how a worker should perform an aspect of his or her work task are known as:

- A. Norms
- B. Standard operating procedures
- C. Job specialization
- D. Unity of command
- E. Goals

48. Unwritten, informal codes of conduct which prescribe how workers should act in specific work situations are known as:

- A. Rules
- B. Standard operating procedures
- C. Ethics
- D. Norms
- E. Esprit de corps



49. When a restaurant has a standard practice that each cook should leave the kitchen in a clean condition and ready for the next shift, this is an example of:

- A. An SOP
- B. Bureaucracy
- C. Job specialization
- D. A rule
- E. Equity

50. A public works department's employee manual states that standard practice is that all employees working along the roadway should wear a "reflective vest" at all times. This is an example of:

- A. A norm
- B. A rule
- C. A guideline
- D. A program
- E. A standard

51. Mamma Mia's Ristorante has an informal practice in which all the servers try to help each other out if they are not busy with customers. This practice is called:

- A. Job specialization
- B. A rule
- C. Unity of direction
- D. A norm
- E. An open system

52. Car detailers at Scott's Car Center are required to log their time on each vehicle they detail. This practice is called:

- A. A norm
- B. The line of authority
- C. A rule
- D. The division of labor
- E. A guideline

53. "Informal authority" can result from all the following EXCEPT:

- A. Technical knowledge
- B. Moral character
- C. Hierarchical authority
- D. The ability to lead
- E. Job expertise

54. What principle specifies that an employee should report to only one superior?

- A. Line of authority
- B. Unity of command
- C. Centralization
- D. Job specialization
- E. Job design

55. The "chain of command" which describes the reporting relationships of managers from the top to the bottom of the organization is known as:

- A. The line of authority
- B. Responsibility
- C. Unity of direction
- D. Unity of command
- E. Unity of authority

56. According to Fayol, the greater the number of levels in the management hierarchy, the \_\_\_\_\_ communication takes between managers at the top and bottom of the organization and the \_\_\_\_\_ the pace of planning and organizing.

- A. Longer; faster
- B. Longer; slower
- C. Shorter; faster
- D. Shorter; slower
- E. None of the above.

57. A mechanical engineer at TNT Manufacturing LLC reports jointly to the Engineering Manager and the Project Manager. This is a violation of which one of Fayol's principles?

- A. Centralization
- B. Unity of command
- C. Unity of direction
- D. Line of authority
- E. Chain of command

58. The "number of levels" of management between the CEO and the first-line supervisors in the organization is a representation of which of Fayol's principles?

- A. Unity of direction
- B. Unity of command
- C. Discipline
- D. Centralization
- E. Line of authority

59. When authority is concentrated at the top of the organizational chart instead of being distributed throughout the management hierarchy, we say that \_\_\_\_\_ has occurred.

- A. Decentralization
- B. A bureaucracy
- C. Centralization
- D. Scientific management
- E. Job specialization

60. An organization that has a comprehensive long range plan that guides the direction of every department within the organization is following Fayol's principle of:

- A. Order
- B. Line of authority
- C. Unity of command
- D. Unity of direction
- E. Centralization

61. The Marketing Manager at RST Global Inc. developed a five year marketing plan that deviated from the objectives outlined in the organization's strategic plan. The manager has deviated from which of the following?

- A. Order
- B. Line of authority
- C. Unity of command
- D. Unity of direction
- E. Centralization

62. Fayol's principles of order can be illustrated by:

- A. Organizational chart
- B. Job description
- C. Unity of direction
- D. Unity of responsibility
- E. PERT chart

63. Today's managers are paying particular attention to treating people fairly. This is most consistent with Fayol's principle of:

- A. Discipline
- B. Unity of command
- C. Initiative
- D. Order
- E. Equity

64. Obedience to a manager's request, along with other signs of respect for the manager's authority, is most consistent with Fayol's principle of:

- A. Order
- B. Discipline
- C. Esprit de corps
- D. Equity
- E. Unity of command

65. An "organization chart" which shows who reports to whom for what is a representation of which one of Fayol's principles?

- A. Centralization
- B. Equity
- C. Discipline
- D. Order
- E. Initiative

66. Fayol's principle of initiative suggests:

- A. Managers should encourage employees to be creative
- B. Creativity is only the responsibility of management
- C. Innovation flows from the top down
- D. Employees actions be monitored by a supervisor
- E. Initiative flows from the top down

67. Which of the following is NOT a part of Fayol's principle of remuneration of personnel?

- A. Employee pay is fair for both the employee and the organization
- B. Encourage productivity by rewarding will directed effort
- C. Not be subject to abuse
- D. Be uniformly applied to all employees
- E. Management pay be based on cost reductions

68. An organization that has developed respectful relations between organizational members and reflects the quality of an organization's leadership and a manager's ability to act fairly and equitably is a result Fayol's principle of:

- A. Stability of tenure of personnel
- B. Unity of direction
- C. Order
- D. Initiative
- E. Discipline

69. If an organization has a profit-sharing plan in which top executives are able to purchase the company's stock at a discount whenever the organization has a highly profitable year, this organization is acting consistently with Fayol's principle of:

- A. Unity of command
- B. Discipline
- C. Line of authority
- D. Unity of direction
- E. Remuneration of personnel

70. The idea that employees who stay with the organization for many years develop skills on the job which can help the organization to become more efficient is consistent with Fayol's principle of:

- A. Equity
- B. Order
- C. Initiative
- D. Discipline
- E. Stability of tenure

71. The idea that workers should be aware of how their behavior affects the performance of the organization as a whole is most consistent with Fayol's principle of:

- A. Equity
- B. Subordination of individual interests to the common interest
- C. Remuneration of personnel
- D. Unity of direction
- E. Stability of tenure of personnel

72. When a manager asks a subordinate to consider how his or her actions are impacting the entire organization instead of merely focusing on the subordinate's own interests, this manager is acting on the basis of Fayol's principle of:

- A. Equity
- B. Initiative
- C. Subordination of individual interests to the common interest
- D. Remuneration of personnel
- E. Stability of tenure of personnel

73. When a manager and his or her subordinates share feelings of comradeship and devotion to a common cause, they are expressing Fayol's principle of:

- A. Unity of command
- B. Order
- C. Discipline
- D. Esprit de corps
- E. Laissez-faire

74. Which of the following is NOT one of the contributions of Mary Parker Follett?

- A. Managers should act as coaches, not monitors
- B. Managers must recognize that workers try to avoid responsibility
- C. The importance of cross-functional communication
- D. Power should flow to the person with the most expertise in any given situation
- E. Workers should be involved in job analysis

75. Whose theory holds that, "Authority should go with knowledge...whether it is up the line or down"?

- A. Follett
- B. Weber
- C. Hawthorne
- D. Fayol
- E. Taylor

76. The research studies which experimented with different levels of lighting and its impact on worker performance and fatigue are known as:

- A. The Fayol studies
- B. The Taylor studies
- C. The Hawthorne studies
- D. The Katz studies
- E. The Weber studies

77. The Human relations movement advocates:

- A. Employees are by nature lazy and avoid responsibility
- B. Managers closely supervise all employees
- C. Employees must also be monitored outside the workplace
- D. Supervisors are to be behaviorally trained to manage subordinates
- E. Employee is always right

78. Workers' feelings and thoughts can affect performance was one of the main implications of:

- A. Fredrick Taylor work
- B. Hawthorne studies
- C. Max Weber's theory
- D. Management science
- E. Scientific management

79. All of the following are characteristics of the informal organization EXCEPT:

- A. Groups tend to develop elaborate procedures.
- B. Group norms are developed.
- C. As more time passes members of the group bond.
- D. Understanding the behavior is an easy process.
- E. The informal organization can thwart the attainment of organizational goals.

80. The study of the factors that have an impact on how workers respond to one another within organizations is known as:

- A. The Hawthorne studies
- B. Organizational behavior
- C. Unity of command
- D. Scientific management
- E. Organic structure



81. Managers who accept the assumptions of Theory X have the following characteristics EXCEPT:

- A. Focus on developing SOPs
- B. Develop a well-defined system of rewards and punishments
- C. Give little autonomy to workers to solve problems
- D. Focus on developing rules
- E. Create a work setting that encourages commitment

82. Managers who accept Theory Y:

- A. Create a work setting that encourages commitment
- B. Give little autonomy to workers
- C. Focus on developing rules and procedures
- D. Rely on rewards and punishments
- E. View workers as lazy

83. Trader Joe's approach to management is consistent with Theory Y because:

- A. Trader Joe's makes sure employees have the resources they need.
- B. The role of the managers at Trader Joe's is to control the employees.
- C. Trader Joe's closely monitors all employees.
- D. Employees at Trader Joe's are lazy and dislike work.
- E. Trader Joe's has a well-defined system of rewards and punishments to control behavior.

84. Dwight strives to create a work setting that provides his employees a source of job satisfaction. Dwight's actions are consistent with the principles of:

- A. Theory X
- B. Theory Y
- C. Contingency theory
- D. Management science theory
- E. Scientific management theory

85. The HP way is consistent with Theory Y because of all the following characteristics EXCEPT:

- A. Vertical communication
- B. Formality among management and workers
- C. Following rules
- D. Secrecy
- E. Team atmosphere

86. The management theory that focuses on the use of rigorous, quantitative techniques that are intended to assist managers to make the best use of organizational resources is called:

- A. Contingency theory
- B. Management science theory
- C. Administrative management theory
- D. Behavioral management theory
- E. Human relations theory

87. The aspect of management theory that uses mathematical techniques such as modeling and simulation to help managers make better decisions is called:

- A. Behavioral management
- B. Contingency management
- C. Quantitative management
- D. Administrative management
- E. Human relations management

88. The aspect of management theory that analyzes production systems to increase efficiency is:

- A. Contingency management
- B. TQM
- C. Operations management
- D. Scientific management
- E. Human relations management

89. The collection of forces that exist beyond the organization's physical boundaries but which affect the manager's ability to obtain and to use resources is known as:

- A. The organizational environment
- B. The administrative environment
- C. The Hawthorne effect
- D. The informal organization
- E. The open system

90. What theory went beyond the study of how managers can influence behavior within organizations to consider how managers control the organization's relationship with its external environment?

- A. Scientific management
- B. Management science
- C. Administrative management
- D. Organizational environment theory
- E. Theory X

91. A system which takes resources from its external environment and converts them into goods that are then sent back into that environment is known as:

- A. A conversion system
- B. An output system
- C. An input system
- D. An open system
- E. A behavioral system

92. Organizations that are likely to experience entropy have all the characteristics EXCEPT:

- A. Are closed systems
- B. Are open systems
- C. Ignore external environments
- D. Fail to acquire inputs
- E. Dissolve and disintegrate

93. Because of its organized system, the marketing department, project development department, and the manufacturing department at Google combined their efforts and were able to capture market share of the search engine industry. The organization is said to be experiencing:

- A. Inertia
- B. Innovation
- C. Synergy
- D. Unity of command
- E. Unity of direction

94. When an organization experiences performance gains caused by two or more departments coordinating their efforts, the organization is said to be experiencing:

- A. Synergy
- B. Innovation
- C. Initiation
- D. Order
- E. Unity of direction

95. The idea that the effectiveness of organizational structure and control systems depends on what outside forces it is facing is called:

- A. Behavioral management
- B. Contingency theory
- C. Quantitative management
- D. Administrative management
- E. Human relations management

96. The concept that: "There is no one best way to manage" is a fundamental premise in:

- A. Scientific management theory
- B. Administrative management theory
- C. Contingency theory
- D. Behavioral management theory
- E. Management science theory

97. Which principle would a manager be following if she created a flexible organization that could react quickly in a highly volatile market?

- A. Management science theory
- B. Fayol's theory
- C. Contingency theory
- D. Bureaucracy theory
- E. Scientific management

98. What management theory is Bill following if his management style depends upon the situation?

- A. Theory Z
- B. Contingency theory
- C. Theory X
- D. Organic theory
- E. Theory Y

99. Apple's external environment is changing rapidly and it responds by decentralizing decisions to lower-level managers so that the organization can react faster. Apple is said to be organized under:

- A. A mechanistic structure
- B. A centralization structure
- C. A behavioral management structure
- D. A human relations structure
- E. An organic structure

100. Managers at Acme Explosives supervise workers closely and use rewards and punishments to control their behavior. Acme is a \_\_\_\_\_ organization.

- A. Bureaucratic
- B. Organic
- C. Efficient
- D. Mechanistic
- E. Behavioral

#### Essay Questions

101. F.W. Taylor, in his study of what came to be called scientific management, developed four principles which were intended to increase worker efficiency on the job. Define scientific management and discuss any two of these four principles and explain how each of them could be applied to workers in an automobile assembly line.

102. Discuss the management contributions of the Gilbreths.

103. Discuss how scientific management brought many workers more hardship than gain and a distrust of managers.

104. Define administrative management and briefly discuss two major contributions from Max Weber and Henri Fayol.

105. Define bureaucracy and identify the five principles that a bureaucratic system of administration is based on.

106. Some organizations design reporting relationships in which an employee reports to two superiors instead of to only one superior. As a result, this employee may have access to two managers who have different skills and expertise. Such a practice, however, can easily create serious problems for the employee. Discuss three of these problems that can occur under this management structure and explain why a reporting relationship to a single superior is a better way to design an organization.

107. Centralization versus decentralization is one of the more interesting arguments in management theory. Discuss the pros and cons of each of these two organizing methods in terms of how a large organization can be organized in terms of its decision-making authority.

108. The Hawthorne studies had a great impact on the early study of management theory. Discuss these studies in terms of how they were designed and in terms of the results which were helpful to developing a better understanding of how managers should behave in the workplace.

109. Managers who accept the assumptions of McGregor's Theory X are likely to design a very different work situation than managers who accept the assumptions of Theory Y. Discuss how managers who are committed to Theory X assumptions are likely to organize their work environment in terms of their relationships with their subordinates.

110. Define management science theory and identify and explain the branches of management science.

111. Differentiate between an open and a closed system.



112. Explain the "organic structure". Why is it important for companies like Google and Apple to operate with organic structures?

## Chapter 02 The Evolution of Management Thought **Answer Key**

### **True / False Questions**

1. (p. 39) The development of mass-production manufacturing is attributed to manufacturing managers at Ford Manufacturing.

**TRUE**

Henry Ford revolutionized the car industry, Ford and his team of manufacturing managers pioneered the development of mass-production manufacturing, which made small-batch car production inefficient.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-01 Describe how the need to increase organizational efficiency and effectiveness has guided the evolution of management theory.*

*Topic: Scientific Management*

2. (p. 39) Ford Manufacturing moved from small batch production to mass-production manufacturing to increase efficiency.

**TRUE**

Henry Ford revolutionized the car industry, Ford and his team of manufacturing managers pioneered the development of mass-production manufacturing, which made small-batch car production inefficient.

*AACSB: Reflective Thinking*

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*Learning Objective: 02-01 Describe how the need to increase organizational efficiency and effectiveness has guided the evolution of management theory.*

*Topic: Scientific Management*

3. (p. 40) The development of "lean manufacturing" is attributed to manufacturing managers at Ford.

**FALSE**

A Toyota production engineer pioneered the development of lean manufacturing in the 1960s.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-01 Describe how the need to increase organizational efficiency and effectiveness has guided the evolution of management theory.*

*Topic: Scientific Management*

4. (p. 40) The idea of "lean manufacturing" relies on workers performing narrow, specialized tasks.

**FALSE**

Lean production is based on the idea that if workers have input and can participate in the decision-making process, their knowledge can be used to increase efficiency.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-01 Describe how the need to increase organizational efficiency and effectiveness has guided the evolution of management theory.*

*Topic: Scientific Management*

5. (p. 43) Adam Smith reasoned that a group of workers who each performed many tasks could produce a product faster than workers who were specialized at their specific tasks.

**FALSE**

Smith reasoned that this performance difference occurred because the workers who specialized became much more skilled at their specific tasks and as a group were thus able to produce a product faster than the group of workers who each performed many tasks.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

6. (p. 43) Scientific management theory holds that the most efficient division of labor can best be determined by intuitive knowledge.

**FALSE**

According to Taylor, the way to create the most efficient division of labor could best be determined by scientific management techniques rather than by intuitive or informal rule-of-thumb knowledge.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

7. (p. 43) According to the principles of Scientific Management, the way to create the most efficient work system was by having workers perform both more tasks and more complex tasks.

**FALSE**

Taylor believed that if the amount of time and effort that each worker expends to produce a unit of output can be reduced by increasing specialization and the division of labor, the production process will become more efficient.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

8. (p. 44) Scientific management caused many workers to distrust management.

**TRUE**

Scientific management brought many workers more hardship than gain and a distrust of managers who did not seem to care about workers' well-being.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

9. (p. 47-49) Andrew Carnegie was able to create the most successful industrial company of his day, Carnegie Steel, by empowering his workers.

**FALSE**

To increase productivity, Carnegie gradually increased the normal workday from an already long 10 hours to 12 hours, six days a week. He also paid his workers the lowest wage rate possible.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

10. (p. 49) Max Weber described a system of administration designed to insure both efficiency and effectiveness that is called "bureaucracy".

**TRUE**

Weber developed the principles of bureaucracy-a formal system of organization and administration designed to ensure efficiency and effectiveness.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

11. (p. 50) Authority gives managers the right to direct and control their subordinates' behavior to achieve organizational goals.

**TRUE**

Authority is the power to hold people accountable for their actions and to make decisions concerning the use of organizational resources. Authority gives managers the right to direct and control their subordinates' behavior to achieve organizational goals.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

12. (p. 50) In a bureaucracy, the authority of a manager should be based on their performance.

**TRUE**

In a bureaucratic system of administration, obedience is owed to a manager not because of any personal qualities-such as personality, wealth, or social status-but because the manager occupies a position that is associated with a certain level of authority and responsibility.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

13. (p. 51) Rules are formal, written instructions that specify what workers should do on the job.

**TRUE**

Rules are formal written instructions that specify actions to be taken.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

14. (p. 51) Standard operating procedures are general, sometimes informal instructions as to how workers should perform an aspect of their work task.

**FALSE**

Standard operating procedures (SOPs) are specific sets of written instructions about how to perform a certain aspect of a task.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

15. (p. 51) Norms are written, formal codes of conduct which prescribe how workers should act in particular situations.

**FALSE**

Norms are unwritten, informal codes of conduct that prescribe how people should behave.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

16. (p. 51) According to Fayol's principles, workers should be given more job duties to perform but should be encouraged to assume less responsibility for their work outcomes.

**FALSE**

Fayol advocated that workers be given more job duties to perform or be encouraged to assume more responsibility for work outcomes.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

17. (p. 52) Fayol believed that "dual command" increased efficiency and verified the formal hierarchy of authority.

**FALSE**

Fayol believed that dual command, the reporting relationship that exists when two supervisors give orders to the same subordinate, should be avoided except in exceptional circumstances.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

18. (p. 52) The line of authority that depicts the authority of managers at the top over employees at the bottom of the organization is called the "chain of command."

**TRUE**

The line of authority is the chain of command extending from the top to the bottom of an organization.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

19. (p. 53) According to Fayol, the fewer the number of levels in the hierarchy of the chain of command of an organization, the faster the pace of the planning and organizing within the organization.

**TRUE**

According to Fayol, the fewer the number of levels in the hierarchy of the chain of command of an organization, the faster the pace of the planning and organizing within the organization.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

20. (p. 53) Fayol believed that authority should be decentralized and not be concentrated at the top of the chain of command of the organization.

**TRUE**

Fayol believed that authority should be decentralized and not be concentrated at the top of the chain of command of the organization.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*



21. (p. 53) When authority is centralized, only managers at the top of the organization make important decisions.

**TRUE**

When authority is centralized, only managers at the top of the organization make important decisions.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

22. (p. 54) Fayol did recommend the use of organizational charts to show the position and duties of managers within the organization.

**TRUE**

Fayol recommended the use of organizational charts to show the position and duties of managers within the organization.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

23. (p. 54) Esprit de corps is the French expression that refers to shared feelings of comradeship and enthusiasm.

**TRUE**

Esprit de corps is the French expression that refers to shared feelings of comradeship and enthusiasm.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

24. (p. 55) Peters and Waterman's In Search of Excellence identified three major principles to guide managers. These three principles verify Fayol's principles.

**TRUE**

Peters and Waterman's In Search of Excellence identified three major principles to guide managers. These three principles verify Fayol's principles.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

25. (p. 57) In the Hawthorne studies, researchers found that as they raised and lowered the level of illumination, the workers' productivity increased.

**TRUE**

In the Hawthorne studies, researchers found that as they raised and lowered the level of illumination, the workers' productivity increased.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

26. (p. 57) The Human relations movement advocated that supervisors be behaviorally trained to manage subordinates in ways that elicit their cooperation and increase their productivity.

**TRUE**

The Human relations movement advocated that supervisors be behaviorally trained to manage subordinates in ways that elicit their cooperation and increase their productivity.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

27. (p. 57) The Hawthorne effect suggested that workers' attitudes toward their managers have little to no affect on the level of workers' performance.

**FALSE**

The Hawthorne effect seemed to suggest that workers' attitudes toward their managers affect the level of workers' performance.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

28. (p. 58) Theory Y assumes that workers are lazy, dislike work, and will try to do as little work as possible.

**FALSE**

Theory X assumes that workers are lazy, dislike work, and will try to do as little work as possible.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

29. (p. 58) Theory Y assumes that workers are not lazy, do not dislike work, and will do what is good for the organization.

**TRUE**

Theory Y assumes employees are not inherently lazy. Given the chance, employees will do what is good for the organization.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

30. (p. 59) Henry Ford's approach to management more closely reflects the assumptions of Theory X than Theory Y.

**TRUE**

Theory X assumes that to ensure that employees work hard, managers should closely supervise employees.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

31. (p. 59) Hewlett-Packard established a philosophy of management known as the "HP Way" that is people-oriented, stresses the importance of treating every person with consideration and respect, and offers recognition for achievements. This philosophy of management is consistent with Theory X.

**FALSE**

Following Theory Y managers allow employees to work in the organization's interest, managers must create a work setting that provides opportunities for workers to exercise initiative and self-direction. Managers should decentralize authority to employees and make sure employees have the resources necessary to achieve organizational goals.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

32. (p. 61) Trader Joe's approach to management is to create a policy of promotion from within the company so that the highest-performing salespeople could rise to become store captains and beyond in the organization. Trader Joe's always recognizes the need to treat employees (people) in a fair and equitable way. This philosophy of management is consistent with Theory Y.

**TRUE**

Following Theory Y managers allow employees to work in the organization's interest, managers must create a work setting that provides opportunities for workers to exercise initiative and self-direction. Managers should decentralize authority to employees and make sure employees have the resources necessary to achieve organizational goals.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

33. (p. 62) The use of information technology detracts from the usefulness of management science approaches.

**FALSE**

The use of information technology enhances the usefulness of management science approaches.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-05 Explain the contributions of management science to the efficient use of organizational resources*

*Topic: Management Science*

34. (p. 62) Management science theory is a contemporary approach to management that focuses on the use of rigorous qualitative techniques to help managers make maximum use of organizational resources to produce goods and services.

**FALSE**

Management science theory is a contemporary approach to management that focuses on the use of rigorous quantitative techniques to help managers make maximum use of organizational resources to produce goods and services.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-05 Explain the contributions of management science to the efficient use of organizational resources*

*Topic: Management Science*

35. (p. 62) Managers must only focus on influencing the behavior within organizations because they have no control over the organization's relationship with its external environment.

**FALSE**

An important milestone in the history of management thought occurred when researchers went beyond the study of how managers can influence behavior within organizations to consider how managers control the organization's relationship with its external environment.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

36. (p. 64) The contingency theory suggests that there is only one best way to organize.

**FALSE**

The crucial message of contingency theory is that there is no one best way to organize.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

37. (p. 65) Typically, managers who work in a mechanistic structure can react more quickly to change than managers who work in an organic structure.

**FALSE**

Typically, managers who work in an organic structure can react more quickly to change than managers who work in a mechanistic structure.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

#### **Multiple Choice Questions**

38. (p. 42) Small workshops run by skilled workers who produced hand-manufactured products was a system known as:

A. NUMMI

B. Small batch production

C. Mass production manufacturing

**D. Crafts production**

E. Automation

Small workshops run by skilled workers who produced hand-manufactured products was a system called crafts production.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-01 Describe how the need to increase organizational efficiency and effectiveness has guided the evolution of management theory.*

*Topic: Scientific Management*

39. (p. 43) F.W. Taylor founded the early study of management thought which became known as:

- A. Time and motion study
- B. Scientific management**
- C. Fordism
- D. Management Science Theory
- E. Theory X

Frederick W. Taylor (1856-1915) is best known for defining the techniques of scientific management, the systematic study of relationships between people and tasks for the purpose of redesigning the work process to increase efficiency.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

40. (p. 44) Early "time-and-motion" studies were an important part of the work of:

- A. Elton Mayo
- B. F.W. Taylor**
- C. William Ouchi
- D. Daniel Katz
- E. Lawrence & Lorsch

Frederick W. Taylor (1856-1915) is best known for defining the techniques of scientific management, the systematic study of relationships between people and tasks for the purpose of redesigning the work process to increase efficiency.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*



41. (p. 43) What is the process by which a division of labor occurs as different workers specialize in tasks?

- A. Job specialization
- B. Systems management
- C. Management science
- D. Job rotation
- E. Scientific management

Job specialization is the process by which a division of labor occurs as different workers specialize in tasks.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

42. (p. 45-46) Which of the following was NOT part of "Fordism"?

- A. Checking on how employees lived
- B. Doubling wages
- C. Cutting back on work hours
- D. Not permitting employees to talk while on the line
- E. Employee involvement

See Ethics in Action box on page 45.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

43. (p. 47) The Gilbreths are best known for their studies of:

- A. Fatigue
- B. Administrative management
- C. Human relations
- D. Management science
- E. Bureaucracy

Eventually the Gilbreths became increasingly interested in the study of fatigue. They studied how physical characteristics of the workplace contribute to job stress that often leads to fatigue and thus poor performance.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

44. (p. 50) The power to hold workers accountable for their actions and to make decisions about the use of organizational resources is known as:

- A. Power
- B. Job specialization
- C. Authority
- D. Centralization
- E. Unity of Command

Authority is the power to hold people accountable for their actions and to make decisions concerning the use of organizational resources. Authority gives managers the right to direct and control their subordinates' behavior to achieve organizational goals.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

45. (p. 50) Which of the following gives managers the right to direct and to control their subordinates in order to attempt to accomplish organizational goals?

- A. Theory X
- B. Centralization
- C. Esprit de corps
- D. Authority**
- E. Discipline

Authority is the power to hold people accountable for their actions and to make decisions concerning the use of organizational resources. Authority gives managers the right to direct and control their subordinates' behavior to achieve organizational goals.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

46. (p. 51) Formal written instructions that specify actions to be taken under different circumstances to achieve specific goals are known as:

- A. Rules**
- B. Norms
- C. Esprit de corps
- D. Standard operating procedures
- E. SOPs

Rules are formal written instructions that specify actions to be taken.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

47. (p. 51) Specific written instructions as to how a worker should perform an aspect of his or her work task are known as:

- A. Norms
- B. Standard operating procedures**
- C. Job specialization
- D. Unity of command
- E. Goals

Standard operating procedures (SOPs) are specific sets of written instructions about how to perform a certain aspect of a task.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

48. (p. 51) Unwritten, informal codes of conduct which prescribe how workers should act in specific work situations are known as:

- A. Rules
- B. Standard operating procedures
- C. Ethics
- D. Norms**
- E. Esprit de corps

Norms are unwritten, informal codes of conduct that prescribe how people should behave.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

49. (p. 51) When a restaurant has a standard practice that each cook should leave the kitchen in a clean condition and ready for the next shift, this is an example of:

- A. An SOP
- B. Bureaucracy
- C. Job specialization
- D.** A rule
- E. Equity

Rules are formal written instructions that specify actions to be taken.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

50. (p. 51) A public works department's employee manual states that standard practice is that all employees working along the roadway should wear a "reflective vest" at all times. This is an example of:

- A. A norm
- B.** A rule
- C. A guideline
- D. A program
- E. A standard

Rules are formal written instructions that specify actions to be taken.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

51. (p. 51) Mamma Mia's Ristorante has an informal practice in which all the servers try to help each other out if they are not busy with customers. This practice is called:

- A. Job specialization
- B. A rule
- C. Unity of direction
- D.** A norm
- E. An open system

Norms are unwritten, informal codes of conduct that prescribe how people should behave.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

52. (p. 51) Car detailers at Scott's Car Center are required to log their time on each vehicle they detail. This practice is called:

- A. A norm
- B. The line of authority
- C.** A rule
- D. The division of labor
- E. A guideline

Rules are formal written instructions that specify actions to be taken.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

53. (p. 52) "Informal authority" can result from all the following EXCEPT:

- A. Technical knowledge
- B. Moral character
- C. Hierarchical authority**
- D. The ability to lead
- E. Job expertise

Informal authority is derived from personal expertise, technical knowledge, moral worth, and the ability to lead and to generate commitment from subordinates.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

54. (p. 52) What principle specifies that an employee should report to only one superior?

- A. Line of authority
- B. Unity of command**
- C. Centralization
- D. Job specialization
- E. Job design

The principle of unity of command specifies that an employee should receive orders from, and report to, only one superior.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

55. (p. 52) The "chain of command" which describes the reporting relationships of managers from the top to the bottom of the organization is known as:

- A.** The line of authority
- B. Responsibility
- C. Unity of direction
- D. Unity of command
- E. Unity of authority

The line of authority is the chain of command extending from the top to the bottom of an organization.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

56. (p. 52-53) According to Fayol, the greater the number of levels in the management hierarchy, the \_\_\_\_\_ communication takes between managers at the top and bottom of the organization and the \_\_\_\_\_ the pace of planning and organizing.

- A. Longer; faster
- B.** Longer; slower
- C. Shorter; faster
- D. Shorter; slower
- E. None of the above.

The more levels in the hierarchy, the longer communication takes between managers at the top and bottom and the slower the pace of planning and organizing.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*



57. (p. 52) A mechanical engineer at TNT Manufacturing LLC reports jointly to the Engineering Manager and the Project Manager. This is a violation of which one of Fayol's principles?

- A. Centralization
- B. Unity of command**
- C. Unity of direction
- D. Line of authority
- E. Chain of command

The principle of unity of command specifies that an employee should receive orders from, and report to, only one superior.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

58. (p. 52) The "number of levels" of management between the CEO and the first-line supervisors in the organization is a representation of which of Fayol's principles?

- A. Unity of direction
- B. Unity of command
- C. Discipline
- D. Centralization
- E. Line of authority**

The line of authority is the chain of command extending from the top to the bottom of an organization.

*AACSB: Reflective Thinking*

*Bloom's: Knowledge*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

59. (p. 53) When authority is concentrated at the top of the organizational chart instead of being distributed throughout the management hierarchy, we say that \_\_\_\_\_ has occurred.

- A. Decentralization
- B. A bureaucracy
- C. Centralization**
- D. Scientific management
- E. Job specialization

Centralization is the concentration of authority at the top of the managerial hierarchy.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

60. (p. 53) An organization that has a comprehensive long range plan that guides the direction of every department within the organization is following Fayol's principle of:

- A. Order
- B. Line of authority
- C. Unity of command
- D. Unity of direction**
- E. Centralization

Unity of direction means that there is a singleness of purpose guiding managers and workers.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

61. (p. 53) The Marketing Manager at RST Global Inc. developed a five year marketing plan that deviated from the objectives outlined in the organization's strategic plan. The manager has deviated from which of the following?

- A. Order
- B. Line of authority
- C. Unity of command
- D.** Unity of direction
- E. Centralization

Unity of direction is the singleness of purpose that makes possible the creation of one plan of action for the organization.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

62. (p. 53-54) Fayol's principles of order can be illustrated by:

- A.** Organizational chart
- B. Job description
- C. Unity of direction
- D. Unity of responsibility
- E. PERT chart

Fayol recommended the use of organizational charts to show the position and duties of each employee and to indicate which positions an employee might move to or be promoted into in the future.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

63. (p. 53) Today's managers are paying particular attention to treating people fairly. This is most consistent with Fayol's principle of:

- A. Discipline
- B. Unity of command
- C. Initiative
- D. Order
- E. Equity**

Equity is the justice, impartiality, and fairness to which all organizational members are entitled.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

64. (p. 54) Obedience to a manager's request, along with other signs of respect for the manager's authority, is most consistent with Fayol's principle of:

- A. Order
- B. Discipline**
- C. Esprit de corps
- D. Equity
- E. Unity of command

Discipline is the obedience, energy, application, and other outward marks of respect for a superior's authority.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

65. (p. 53-54) An "organization chart" which shows who reports to whom for what is a representation of which one of Fayol's principles?

- A. Centralization
- B. Equity
- C. Discipline
- D. Order**
- E. Initiative

Fayol recommended the use of organizational charts to show the position and duties of each employee and to indicate which positions an employee might move to or be promoted into in the future.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

66. (p. 54) Fayol's principle of initiative suggests:

- A. Managers should encourage employees to be creative**
- B. Creativity is only the responsibility of management
- C. Innovation flows from the top down
- D. Employees actions be monitored by a supervisor
- E. Initiative flows from the top down

Initiative is the ability to act on one's own without direction from a superior.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

67. (p. 54) Which of the following is NOT a part of Fayol's principle of remuneration of personnel?

- A. Employee pay is fair for both the employee and the organization
- B. Encourage productivity by rewarding well directed effort
- C. Not be subject to abuse
- D. Be uniformly applied to all employees
- E. Management pay be based on cost reductions**

Fayol believed effective reward systems should be equitable for both employees and the organization, encourage productivity by rewarding well-directed effort, not be subject to abuse, and be uniformly applied to employees.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

68. (p. 54) An organization that has developed respectful relations between organizational members and reflects the quality of an organization's leadership and a manager's ability to act fairly and equitably is a result of Fayol's principle of:

- A. Stability of tenure of personnel
- B. Unity of direction
- C. Order
- D. Initiative
- E. Discipline**

According to Fayol, discipline results in respectful relations between organizational members and reflects the quality of an organization's leadership and a manager's ability to act fairly and equitably.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

69. (p. 54) If an organization has a profit-sharing plan in which top executives are able to purchase the company's stock at a discount whenever the organization has a highly profitable year, this organization is acting consistently with Fayol's principle of:

- A. Unity of command
- B. Discipline
- C. Line of authority
- D. Unity of direction
- E.** Remuneration of personnel

Fayol believed effective reward systems should be equitable for both employees and the organization, encourage productivity by rewarding well-directed effort, not be subject to abuse, and be uniformly applied to employees.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

70. (p. 54) The idea that employees who stay with the organization for many years develop skills on the job which can help the organization to become more efficient is consistent with Fayol's principle of:

- A. Equity
- B. Order
- C. Initiative
- D. Discipline
- E.** Stability of tenure

The principle of stability of tenure recognizes the importance of long-term employment.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

71. (p. 54) The idea that workers should be aware of how their behavior affects the performance of the organization as a whole is most consistent with Fayol's principle of:

- A. Equity
- B. Subordination of individual interests to the common interest**
- C. Remuneration of personnel
- D. Unity of direction
- E. Stability of tenure of personnel

The interests of the organization as a whole must take precedence over the interests of any individual or group if the organization is to survive.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

72. (p. 54) When a manager asks a subordinate to consider how his or her actions are impacting the entire organization instead of merely focusing on the subordinate's own interests, this manager is acting on the basis of Fayol's principle of:

- A. Equity
- B. Initiative
- C. Subordination of individual interests to the common interest**
- D. Remuneration of personnel
- E. Stability of tenure of personnel

The interests of the organization as a whole must take precedence over the interests of any individual or group if the organization is to survive.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*



73. (p. 54) When a manager and his or her subordinates share feelings of comradeship and devotion to a common cause, they are expressing Fayol's principle of:

- A. Unity of command
- B. Order
- C. Discipline
- D. Esprit de corps**
- E. Laissez-faire

Esprit de corps is shared feelings of comradeship, enthusiasm, or devotion to a common cause among members of a group.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

74. (p. 56) Which of the following is NOT one of the contributions of Mary Parker Follett?

- A. Managers should act as coaches, not monitors
- B. Managers must recognize that workers try to avoid responsibility**
- C. The importance of cross-functional communication
- D. Power should flow to the person with the most expertise in any given situation
- E. Workers should be involved in job analysis

Answers A, C, D, and E are discussed on the page listed.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

75. (p. 56) Whose theory holds that, "Authority should go with knowledge...whether it is up the line or down"?

- A. Follett
- B. Weber
- C. Hawthorne
- D. Fayol
- E. Taylor

Follett proposed that "authority should go with knowledge . . . whether it is up the line or down."

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

76. (p. 57) The research studies which experimented with different levels of lighting and its impact on worker performance and fatigue are known as:

- A. The Fayol studies
- B. The Taylor studies
- C. The Hawthorne studies
- D. The Katz studies
- E. The Weber studies

The Hawthorne studies, began as an attempt to investigate how characteristics of the work setting-specifically the level of lighting or illumination-affect worker fatigue and performance.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

77. (p. 57) The Human relations movement advocates:

- A. Employees are by nature lazy and avoid responsibility
- B. Managers closely supervise all employees
- C. Employees must also be monitored outside the workplace
- D. Supervisors are to be behaviorally trained to manage subordinates**
- E. Employee is always right

The human relations movement advocates that supervisors be behaviorally trained to manage subordinates in ways that elicit their cooperation and increase their productivity.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

78. (p. 57) Workers' feelings and thoughts can affect performance was one of the main implications of:

- A. Fredrick Taylor work
- B. Hawthorne studies**
- C. Max Weber's theory
- D. Management science
- E. Scientific management

The Hawthorne effect is the finding that a manager's behavior or leadership approach can affect workers' level of performance.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

79. (p. 58) All of the following are characteristics of the informal organization EXCEPT:

- A. Groups tend to develop elaborate procedures.
- B. Group norms are developed.
- C. As more time passes members of the group bond.
- D. Understanding the behavior is an easy process.**
- E. The informal organization can thwart the attainment of organizational goals.

Informal organization is the system of behavioral rules and norms that emerge in a group.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

80. (p. 58) The study of the factors that have an impact on how workers respond to one another within organizations is known as:

- A. The Hawthorne studies
- B. Organizational behavior**
- C. Unity of command
- D. Scientific management
- E. Organic structure

Organizational behavior is the study of the factors that have an impact on how individuals and groups respond to and act in organizations.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

81. (p. 59) Managers who accept the assumptions of Theory X have the following characteristics EXCEPT:

- A. Focus on developing SOPs
- B. Develop a well-defined system of rewards and punishments
- C. Give little autonomy to workers to solve problems
- D. Focus on developing rules
- E. Create a work setting that encourages commitment

According to the assumptions of Theory X, the manager's task is to counteract workers' natural tendencies to avoid work. To keep workers' performance at a high level, the manager must supervise workers closely and control their behavior.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

82. (p. 59) Managers who accept Theory Y:

- A. Create a work setting that encourages commitment
- B. Give little autonomy to workers
- C. Focus on developing rules and procedures
- D. Rely on rewards and punishments
- E. View workers as lazy

According to Theory Y, the characteristics of the work setting determine whether workers consider work to be a source of satisfaction or punishment.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

83. (p. 59-61) Trader Joe's approach to management is consistent with Theory Y because:

- A.** Trader Joe's makes sure employees have the resources they need.
- B. The role of the managers at Trader Joe's is to control the employees.
- C. Trader Joe's closely monitors all employees.
- D. Employees at Trader Joe's are lazy and dislike work.
- E. Trader Joe's has a well-defined system of rewards and punishments to control behavior.

According to Theory Y, the manager's role is not to control employees but to provide support and advice, to make sure employees have the resources they need to perform their jobs, and to evaluate them on their ability to help the organization meet its goals.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

84. (p. 59) Dwight strives to create a work setting that provides his employees a source of job satisfaction. Dwight's actions are consistent with the principles of:

- A. Theory X
- B.** Theory Y
- C. Contingency theory
- D. Management science theory
- E. Scientific management theory

According to Theory Y, the characteristics of the work setting determine whether workers consider work to be a source of satisfaction or punishment.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

85. (p. 59) The HP way is consistent with Theory Y because of all the following characteristics EXCEPT:

- A. Vertical communication
- B. Formality among management and workers
- C. Following rules
- D. Secrecy
- E. Team atmosphere**

Team atmosphere is not a characteristic of Theory Y

*AACSB: Group/individual dynamics (10)*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

86. (p. 62) The management theory that focuses on the use of rigorous, quantitative techniques that are intended to assist managers to make the best use of organizational resources is called:

- A. Contingency theory
- B. Management science theory**
- C. Administrative management theory
- D. Behavioral management theory
- E. Human relations theory

Management science theory is a contemporary approach to management that focuses on the use of rigorous quantitative techniques to help managers make maximum use of organizational resources to produce goods and services.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-05 Explain the contributions of management science to the efficient use of organizational resources*

*Topic: Management Science*

87. (p. 62) The aspect of management theory that uses mathematical techniques such as modeling and simulation to help managers make better decisions is called:

- A. Behavioral management
- B. Contingency management
- C. Quantitative management**
- D. Administrative management
- E. Human relations management

Quantitative management uses mathematical techniques-such as linear and non-linear programming, modeling, simulation, queuing theory, and chaos theory-to help managers make decisions.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-05 Explain the contributions of management science to the efficient use of organizational resources*

*Topic: Management Science*

88. (p. 62) The aspect of management theory that analyzes production systems to increase efficiency is:

- A. Contingency management
- B. TQM
- C. Operations management**
- D. Scientific management
- E. Human relations management

Operations management gives managers a set of techniques they can use to analyze any aspect of an organization's production system to increase efficiency.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-05 Explain the contributions of management science to the efficient use of organizational resources*

*Topic: Management Science*



89. (p. 62) The collection of forces that exist beyond the organization's physical boundaries but which affect the manager's ability to obtain and to use resources is known as:

- A. The organizational environment
- B. The administrative environment
- C. The Hawthorne effect
- D. The informal organization
- E. The open system

Organizational environment is a set of forces that exist beyond the organization's physical boundaries but which affect the manager's ability to obtain and to use resources.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-05 Explain the contributions of management science to the efficient use of organizational resources*

*Topic: Management Science*

90. (p. 62) What theory went beyond the study of how managers can influence behavior within organizations to consider how managers control the organization's relationship with its external environment?

- A. Scientific management
- B. Management science
- C. Administrative management
- D. Organizational environment theory
- E. Theory X

Organizational environment theory went beyond the study of how managers can influence behavior within organizations to consider how managers control the organization's relationship with its external environment.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-05 Explain the contributions of management science to the efficient use of organizational resources*

*Topic: Management Science*

91. (p. 63) A system which takes resources from its external environment and converts them into goods that are then sent back into that environment is known as:

- A. A conversion system
- B. An output system
- C. An input system
- D. An open system**
- E. A behavioral system

An open system is a system that takes in resources from its external environment and converts them into goods and services that are then sent back to that environment for purchase by customers.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

92. (p. 63) Organizations that are likely to experience entropy have all the characteristics EXCEPT:

- A. Are closed systems
- B. Are open systems**
- C. Ignore external environments
- D. Fail to acquire inputs
- E. Dissolve and disintegrate

Entropy is the tendency of a closed system to lose its ability to control itself and thus to dissolve and disintegrate.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

93. (p. 64) Because of its organized system, the marketing department, project development department, and the manufacturing department at Google combined their efforts and were able to capture market share of the search engine industry. The organization is said to be experiencing:

- A. Inertia
- B. Innovation
- C. Synergy
- D. Unity of command
- E. Unity of direction

Synergy, the performance gains that result from the combined actions of individuals and departments, is possible only in an organized system.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Hard*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

94. (p. 64) When an organization experiences performance gains caused by two or more departments coordinating their efforts, the organization is said to be experiencing:

- A. Synergy
- B. Innovation
- C. Initiation
- D. Order
- E. Unity of direction

Synergy, the performance gains that result from the combined actions of individuals and departments, is possible only in an organized system.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

95. (p. 64) The idea that the effectiveness of organizational structure and control systems depends on what outside forces it is facing is called:

- A. Behavioral management
- B. Contingency theory**
- C. Quantitative management
- D. Administrative management
- E. Human relations management

Contingency theory is the idea that the organizational structures and control systems managers choose depend on characteristics of the external environment in which the organization operates.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

96. (p. 64) The concept that: "There is no one best way to manage" is a fundamental premise in:

- A. Scientific management theory
- B. Administrative management theory
- C. Contingency theory**
- D. Behavioral management theory
- E. Management science theory

Contingency theory is the idea that the organizational structures and control systems managers choose depend on characteristics of the external environment in which the organization operates.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

97. (p. 64) Which principle would a manager be following if she created a flexible organization that could react quickly in a highly volatile market?

- A. Management science theory
- B. Fayol's theory
- C. Contingency theory**
- D. Bureaucracy theory
- E. Scientific management

Contingency theory is the idea that the organizational structures and control systems managers choose depend on characteristics of the external environment in which the organization operates.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Medium*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

98. (p. 64) What management theory is Bill following if his management style depends upon the situation?

- A. Theory Z
- B. Contingency theory**
- C. Theory X
- D. Organic theory
- E. Theory Y

Contingency theory is the idea that the organizational structures and control systems managers choose depend on characteristics of the external environment in which the organization operates.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

99. (p. 65) Apple's external environment is changing rapidly and it responds by decentralizing decisions to lower-level managers so that the organization can react faster. Apple is said to be organized under:

- A. A mechanistic structure
- B. A centralization structure
- C. A behavioral management structure
- D. A human relations structure
- E.** An organic structure

In an organic structure, authority is decentralized to middle and first-line managers to encourage them to take responsibility and act quickly to pursue scarce resources.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Medium*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

100. (p. 65) Managers at Acme Explosives supervise workers closely and use rewards and punishments to control their behavior. Acme is a \_\_\_\_\_ organization.

- A. Bureaucratic
- B. Organic
- C. Efficient
- D.** Mechanistic
- E. Behavioral

A mechanistic structure is one in which authority is centralized, tasks and rules are clearly specified, and employees are closely supervised.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Hard*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

### **Essay Questions**

101. (p. 43-45) F.W. Taylor, in his study of what came to be called scientific management, developed four principles which were intended to increase worker efficiency on the job. Define scientific management and discuss any two of these four principles and explain how each of them could be applied to workers in an automobile assembly line.

Scientific management is the systematic study of relationships between people and tasks for the purpose of redesigning the work process to increase efficiency. Taylor's four principles are: (1) Study the way workers perform their tasks, gather all the informal knowledge the workers have, and experiment with ways of improving how tasks are performed. (2) Codify the new methods into written rules and SOPs. (3) Carefully select workers who possess the skills and abilities that match the tasks, and train them to perform according to established rules and SOPs. (4) Establish a fair level of performance for a task, and then pay reward to those who perform over that level.

*AACSB: Reflective Thinking*

*Bloom's: Apply*

*Difficulty: Hard*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

102. (p. 46) Discuss the management contributions of the Gilbreths.

Frank Gilbreth (1868-1924) and Lillian Gilbreth (1878-1972), refined Taylor's analysis of work movements and made many contributions to time-and-motion study. Their aims were to (1) analyze every individual action necessary to perform a particular task and break it into each of its component actions, (2) find better ways to perform each component action, and (3) reorganize each of the component actions so that the action as a whole could be performed more efficiently-at less cost in time and effort.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

103. (p. 44) Discuss how scientific management brought many workers more hardship than gain and a distrust of managers.

Some managers using scientific management obtained increases in performance, but rather than sharing performance gains with workers through bonuses as Taylor had advocated, they simply increased the amount of work that each worker was expected to do. Many workers experiencing the reorganized work system found that as their performance increased, managers required that they do more work for the same pay. Workers also learned that performance increases often meant fewer jobs and a greater threat of layoffs because fewer workers were needed. In addition, the specialized, simplified jobs were often monotonous and repetitive, and many workers became dissatisfied with their jobs.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.*

*Topic: Scientific Management*

104. (p. 49-52) Define administrative management and briefly discuss two major contributions from Max Weber and Henri Fayol.

Administrative management is the study of how to create an organizational structure and control system that leads to high efficiency and effectiveness. Weber's contributions include the development of the principles of bureaucracy which included:

- (1) A manager's formal authority derives from his/her position.
- (2) People should occupy positions because of their performance.
- (3) The extent of authority and responsibility of a position and its relationship to other positions should be clearly specified.
- (4) Authority can be exercised effectively if all positions are arranged hierarchically, and all employees know to whom they report.
- (5) Managers must create a system of clear rules, SOPs, and norms to control behavior effectively.

Fayol's contributions identified 14 principles (summarized in Table 2.1) that he believed essential to increase the efficiency of the management process.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*



105. (p. 49-50) Define bureaucracy and identify the five principles that a bureaucratic system of administration is based on.

A bureaucracy is a formal system of organization and administration designed to ensure efficiency and effectiveness. The five principles include: (1) Formal authority is derived from the position held within the organization. (2) Selection and evaluation system that rewards employees fairly and equitably. (3) Clearly specified system of task and role relationships. (4) Clearly specified hierarchy of authority. (5) System of written rules and standard operating procedures that specify how employees should behave.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

106. (p. 52) Some organizations design reporting relationships in which an employee reports to two superiors instead of to only one superior. As a result, this employee may have access to two managers who have different skills and expertise. Such a practice, however, can easily create serious problems for the employee. Discuss three of these problems that can occur under this management structure and explain why a reporting relationship to a single superior is a better way to design an organization.

A system of "dual command" can easily confuse the subordinate whenever these two managers give conflicting commands, undermine each other's authority with this subordinate, and create problems for the subordinate when it comes time to evaluate this subordinate's work.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

107. (p. 53) Centralization versus decentralization is one of the more interesting arguments in management theory. Discuss the pros and cons of each of these two organizing methods in terms of how a large organization can be organized in terms of its decision-making authority.

Centralization gives managers more control, which helps an organization pursue its strategy. However, centralization makes it difficult for people closest to problems to respond quickly to them. It can also reduce motivation, and inhibit adaptability and flexibility.

Decentralization increases flexibility, responsiveness, and motivation. However, the organization risks losing some control over what goes on in the organization.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization*

*Topic: Administrative Management*

108. (p. 57-58) The Hawthorne studies had a great impact on the early study of management theory. Discuss these studies in terms of how they were designed and in terms of the results which were helpful to developing a better understanding of how managers should behave in the workplace.

The Hawthorne Studies began as an attempt to study how characteristics of the work setting, particularly the level of illumination, affected worker productivity. Unexpectedly, the researchers found that regardless of whether they raised or lowered the level of illumination, workers' performance increased. In trying to explain this finding, researchers recognized that (1) their own presence was having an effect on workers, and (2) that other factors, social in nature, also affected workers' performance.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

109. (p. 59) Managers who accept the assumptions of McGregor's Theory X are likely to design a very different work situation than managers who accept the assumptions of Theory Y. Discuss how managers who are committed to Theory X assumptions are likely to organize their work environment in terms of their relationships with their subordinates.

Managers who are committed to Theory X assumptions are likely to design a work environment in which they have a great deal of control over the subordinates' work and behavior. They are likely to focus on developing rules of conduct, SOPs, and a clearly-defined system of rewards and punishments in order to give their subordinates very little autonomy to solve problems without checking with the manager beforehand. They are likely to supervise the work of their subordinates closely to make sure that these subordinates are working hard and are following the rules of conduct which they have established.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.*

*Topic: Behavioral Management*

110. (p. 62) Define management science theory and identify and explain the branches of management science.

Management science theory is a contemporary approach to management that focuses on the use of rigorous quantitative techniques to help managers make maximum use of organizational resources to produce goods and services. The four branches of management science include:

- (1) Quantitative management uses mathematical techniques to help managers make decisions.
- (2) Operations management gives managers a set of techniques they can use to analyze production processes.
- (3) TQM attempts to increase product quality.
- (4) MIS's provide managers with information about what is going on in the organization, to use for control, problem solving, and decision making.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-05 Explain the contributions of management science to the efficient use of organizational resources*

*Topic: Management Science*

Chapter 02 - The Evolution of Management Thought

111. (p. 63) Differentiate between an open and a closed system.

An open system is a system that takes in resources from its external environment and converts or transforms them into goods and services that are sent back to that environment. The system is said to be open because the organization draws from and interacts with the external environment in order to survive; in other words, the organization is open to its environment. A closed system, in contrast, is a self contained system that is not affected by changes in its external environment.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*

112. (p. 65) Explain the "organic structure". Why is it important for companies like Google and Apple to operate with organic structures?

In an organic structure, authority is decentralized to middle and first-line managers to encourage them to take responsibility and act quickly to pursue scarce resources. Departments are encouraged to take a cross-departmental or functional perspective, and cross-functional teams composed of people from different departments are formed. The organization operates in an organic way because authority rests with the individuals, departments, and teams best positioned to control the current problems the organization is facing. Companies like Google and Apple operate with organic structures because their organizational environments are rapidly changing and unstable. Though more expensive to operate, managers in an organic structure can react more quickly to a changing environment than can managers in a mechanistic structure.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 02-06 Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.*

*Topic: External Environment*