

Chapter 02 The Evolution of Management Thought

TEST PLANNING TABLE FOR CHAPTER 2

Learning Goal	Easy	Moderate	Hard
1. Describe how the need to increase organizational efficiency and effectiveness has guided the evolution of management theory.	3, 38	1, 2, 4	
2. 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.	5, 39, 40	6, 7, 8, 41, 42, 43	<u>101, 102, 103</u>
3. Identify the principles of administration and organization that underlie effective organizations.	9, 10, 11, 13, 14, 18, 21, 44, 45, 46, 47, 48, 53, 54, 55, 59, 62, 63, 64	12, 15, 16, 17, 19, 20, 22, 49, 56, 65, 66, 67, 69, 70, 72, 73, 105	50, 51, 52, 57, 58, 60, 61, 68, 71, 74, <u>102, 104, 106, 107</u>
4. Trace the changes in theories about how managers should behave to motivate and control employees.	27, 29, 75, 76, 77, 79, 80, 81, 82	23, 24, 25, 26, 28, 30, 31, 78, 83, 85	84, <u>102, 108, 109</u>
5. Explain the contributions of management science to the efficient use of organizational resources.	32, 86, 87, 88	33, <u>110</u>	
6. Explain why the study of the external environment and its impact on an organization has become a central issue in management thought.	34, 89, 91, 92, 93, 94, 95, 96	35, 36, 37, 90, 99, <u>112</u>	97, 98, 100, <u>111</u>

Total number of test items: 112

True/false questions are in plain text.

Multiple choice questions are in **bold text**.

Short answer questions are in **bold underlined text**.

True / False Questions

1. The development of mass-production manufacturing is attributed to production line workers at Ford Manufacturing.

True False

2. Ford Manufacturing moved from small batch production to mass-production manufacturing to increase quality.

True False

3. The development of "lean manufacturing" is attributed to an engineer at Toyota.

True False

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

True False

5. The process by which division of labor occurs is known as job specialization.

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. The system of task and authority relationships that control how employees use the organization's resources to achieve the organization's goals is known as the organizational structure.

True False

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

True False

11. The power to hold workers accountable for their actions and to make decisions about the allocation of organizational resources is known as authority.

True False

12. In a bureaucracy, the authority of a manager should be based on the personality and social status of that manager.

True False

13. Formal, written instructions that specify what workers should do on the job are called rules.

True False

14. Specific written instructions as to how workers should perform an aspect of their work task are known as SOPs.

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 fewer job duties to perform and should be encouraged to assume less responsibility for their work outcomes.

True False

17. Fayol believed that "dual command" should be encouraged within organizations.

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 greater 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 concentrated at the top of the chain of command of the organization.

True False

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

True False

22. Fayol did not recommend the use of organizational charts to show the position and duties of managers within the organization.

True False

23. The French expression that refers to shared feelings of comradeship and enthusiasm is "laissez faire".

True False

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

True False

26. The Human Relations movement arose prior to the development of Scientific Management.

True False

27. An "informal organization" consists of the rules and norms that emerge within a work group.

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. Fayol's approach to administration more closely reflects the assumptions of Theory X than Theory Y.

True False

31. Hewlett-Packard is an organization that is committed to Theory X management.

True False

32. Management science is a more modern extension of the ideas of scientific management.

True False

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

True False

34. When an organization ignores its external environment, it has a tendency to dissolve and disintegrate and entropy can result.

True False

35. A mechanistic structure typically rests on Theory Y assumptions, while an organic structure typically rests on Theory X or Theory Z assumptions.

True False

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

True False

37. McDonald's operates using an organic structure.

True False

Multiple Choice Questions

38. The manufacturing system that uses small teams of workers on a moving assembly line is called:

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

39. Who founded the early study of management thought which became known as scientific management?

- A. Elton Mayo
- B. Frank Gilbreth
- C. Max Weber
- D. Henri Fayol
- E. F.W. Taylor

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. One way Henry Ford dealt with the problem of workers not working up to their potential was:

- A. Strict discipline
- B. Moving conveyor belts
- C. Rewards for performance
- D. More frequent breaks for workers
- E. Better lighting

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. All of these were part of Fordism

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

- A. Fatigue
- B. Work movements
- C. Human relations
- D. Management science
- E. Both fatigue and work movements

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. Behavioral management
- E. The Hawthorne effect

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. The Hawthorne effect
- B. Bureaucracy
- C. Esprit de corps
- D. Authority
- E. Discipline

46. Formal, written instructions which specify what workers should do on the job under different conditions are known as:

- A. Rules
- B. Norms
- C. Informal organizational understandings
- D. Standard operating procedures
- E. Bureaucratic control

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. Centralization

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. The chain of command
- D. Norms
- E. Contingency theory

49. When a factory has a standard practice that each machine operator should leave his or her work station in a clean condition and ready for the next shift of workers, this is an example of:

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

50. A sales organization's employee manual states that standard practice is that salespeople who call on customers on construction sites should wear a "hard hat" at all times during this sales call. This is an example of:

- A. A norm
- B. A rule
- C. A guideline
- D. Theory X
- E. Theory Y

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. MegaMart store has a "greeter" at the front entrance who is required by the store to "welcome all customers with a smile." This practice is called:

- A. A norm
- B. The line of authority
- C. A rule
- D. Synergy
- E. Integration

53. "Informal authority" can result from:

- A. Technical knowledge
- B. Moral character
- C. Job expertise
- D. The ability to lead
- E. All of the above

54. The idea that every worker should receive orders from only one superior is called:

- A. Line of authority
- B. Unity of command
- C. Centralization
- D. Equity
- E. Initiative

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. Discipline
- C. Unity of direction
- D. Unity of command
- E. Initiative

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. The Director of Athletics at Whassamatta University reports jointly to both the Dean of Faculty and the Dean of Student Affairs. This is a violation of which one of Fayol's principles?

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

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. Line of authority
- C. Discipline
- D. Order
- E. Initiative

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. If the CEO has a long-range strategic plan for the organization and the Marketing department has its own five-year strategic plan, but these plans are not coordinated, this is a violation of Fayol's principle of:

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

61. A CEO who spends a great deal of time working with executives to develop a five-year strategic plan for the organization is acting most consistently with Fayol's principle of:

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

62. "Organizational charts" are a representation of which of Fayol's principles of management?

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

63. The ability of workers to act on their own, without supervision by a manager, is known as:

- A. Discipline
- B. Unity of command
- C. Initiative
- D. Order
- E. The Hawthorne effect

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. The chain of command
- 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. Unity of direction
- C. Discipline
- D. Order
- E. Initiative

66. The idea that "managers should encourage employees to be innovative and creative in their work" is an example of Fayol's principle of:

- A. Unity of command
- B. Initiative
- C. Line of authority
- D. Centralization
- E. Equity

67. The idea that top management should pay employees in a way that is fair for both the employees and the organization is an example of Fayol's principle of:

- A. Esprit de corps
- B. Centralization
- C. Remuneration of personnel
- D. Unity of command
- E. Unity of direction

68. An organization that gives "cash bonuses" to top managers whenever the organization has an especially profitable year is acting consistently with Fayol's principle of:

- A. Stability of tenure of personnel
- B. Unity of direction
- C. Order
- D. Initiative
- E. None of the above

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 the informal organization
- 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. Which management theory advocates that supervisors be trained to manage subordinates according to behavioral principles in order to achieve the cooperation of these subordinates and, thereby, to increase their productivity?

- A. Scientific management
- B. Equity theory
- C. The Hawthorne studies
- D. Human relations movement
- E. TQM

78. One of the main implications of the Hawthorne Studies was that:

- A. Illumination affects workers' productivity
- B. Illumination effects workers' satisfaction
- C. Workers' feelings and thoughts can affect performance
- D. A group will perform at a level lower than its members working individually
- E. Management is unnecessary

79. The system of rules of behavior that emerge as a group of workers get to know one another by working together is known as:

- A. An informal organization
- B. A code of conduct
- C. Scientific management
- D. A formal organization
- E. None of the above

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:

- 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. All of the above

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. None of the above

83. If a manager feels that his major job responsibility is "to counteract the natural tendencies of subordinates to avoid working hard," this manager is acting consistently with the principles of:

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

84. If a manager feels that her responsibility is to create a work setting in which her subordinates consider their work to be satisfying, she is acting consistently 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 emphasizes:

- 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 to 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. The theory (-ies) that describe the impact of external forces on the organization is(are) called:

- A. Scientific management
- B. Management science
- C. Administrative management
- D. Organization-environment theory
- E. The human relations movement

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. The stage of a system during which the organization obtains resources such as raw materials and labor in order to produce goods is known as:

- A. The conversion stage
- B. The behavioral stage
- C. The output stage
- D. The open stage
- E. The input stage

93. The stage of a system during which the organization transforms raw materials into finished goods outputs such as automobiles or French fries is known as:

- A. The input stage
- B. The behavioral stage
- C. The open stage
- D. The conversion stage
- E. The output stage

94. The stage of a system during which the organization releases finished goods inventory to the external environment so that customers can purchase these goods is known as:

- A. The input stage
- B. The conversion stage
- C. The output stage
- D. The open stage
- E. The behavioral stage

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 management
- 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. The human relations movement

97. A top manager recognizes that her organization's markets are highly volatile because the actions of competitors are very difficult to predict accurately. In response, she tries to create an organization that is very flexible and can react quickly. Which principle is she following?

- A. Open systems theory
- B. Situational leadership theory
- C. Contingency theory
- D. Bureaucracy theory
- E. Scientific management

98. Juanita alters her management style depending on the particular issue with which she is dealing. She is acting consistently with the principles of:

- A. Management science theory
- B. Contingency theory
- C. Theory X
- D. Administrative management theory
- E. A bureaucracy

99. ABC Company's external environment is changing rapidly and it responds by decentralizing decisions to lower-level managers so that the organization can react faster.

ABC 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. Discuss any two of these four principles and explain how each of them could be applied to workers in an automobile assembly line.

102. Choose any three of the following management contributors: Taylor, Fayol, Weber, Follett, the Gilbreths. Briefly discuss (1) at least two of their major contributions and (2) how these contributors have influenced today's organizations.

103. Discuss the impact of Taylor's and the Gilbreths' work on the working lives of factory employees. What "games" did managers and workers engage in?

104. Max Weber developed five principles as to how work should be organized within a bureaucracy. Select any two of these principles and discuss how a manager would behave in a factory if that manager were trying to follow each of the two principles which you have selected.

105. Max Weber's principles of management theory within a bureaucracy have had a great impact upon the management actions of many large organizations. Discuss three disadvantages of management under a bureaucracy in terms of what can result if the principles are not applied in an appropriate manner.

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. Identify and explain the branches of management science.

111. Explain the open systems view of organizations. Why is it useful for managers?

112. Explain "contingency theory".

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

True / False Questions

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

FALSE

*AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Moderate
Learning Objective: 1*

2. (p. 40) Ford Manufacturing moved from small batch production to mass-production manufacturing to increase quality.

FALSE

*AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Moderate
Learning Objective: 1*

3. (p. 40) The development of "lean manufacturing" is attributed to an engineer at Toyota.

TRUE

*AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 1*

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

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Moderate
Learning Objective: 1

5. (p. 42) The process by which division of labor occurs is known as job specialization.

TRUE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 2

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

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Moderate
Learning Objective: 2

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

AACSB: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Moderate
Learning Objective: 2

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

TRUE

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 2

9. (p. 48) The system of task and authority relationships that control how employees use the organization's resources to achieve the organization's goals is known as the organizational structure.

TRUE

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

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

TRUE

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

11. (p. 49) The power to hold workers accountable for their actions and to make decisions about the allocation of organizational resources is known as authority.

TRUE

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

12. (p. 49) In a bureaucracy, the authority of a manager should be based on the personality and social status of that manager.

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Moderate
Learning Objective: 3

13. (p. 50) Formal, written instructions that specify what workers should do on the job are called rules.

TRUE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 3

14. (p. 50) Specific written instructions as to how workers should perform an aspect of their work task are known as SOPs.

TRUE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 3

15. (p. 50) Norms are written, formal codes of conduct which prescribe how workers should act in particular situations.

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Moderate
Learning Objective: 3

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

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Moderate
Learning Objective: 3

17. (p. 52) Fayol believed that "dual command" should be encouraged within organizations.

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Moderate
Learning Objective: 3

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

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 3

19. (p. 52) According to Fayol, the greater 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.

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Moderate
Learning Objective: 3

20. (p. 52) Fayol believed that authority should be concentrated at the top of the chain of command of the organization.

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Moderate
Learning Objective: 3

21. (p. 52) When authority is decentralized, only managers at the top of the organization make important decisions.

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Easy
Learning Objective: 3

22. (p. 53) Fayol did not recommend the use of organizational charts to show the position and duties of managers within the organization.

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Moderate
Learning Objective: 3

23. (p. 54) The French expression that refers to shared feelings of comradeship and enthusiasm is "laissez faire".

FALSE

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Moderate
Learning Objective: 4

24. (p. 54) Peters and Waterman's In Search of Excellence identified three major principles to guide managers. These three principles contradict Fayol's principles.

FALSE

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 4

25. (p. 56) In the Hawthorne studies, researchers found that as they raised and lowered the level of illumination, the workers' productivity decreased.

FALSE

AACSB: Group/individual dynamics (10)

Bloom's: Knowledge

Difficulty: Moderate

Learning Objective: 4

26. (p. 57) The Human Relations movement arose prior to the development of Scientific Management.

FALSE

AACSB: Group/individual dynamics (10)

Bloom's: Knowledge

Difficulty: Moderate

Learning Objective: 4

27. (p. 57) An "informal organization" consists of the rules and norms that emerge within a work group.

TRUE

AACSB: Group/individual dynamics (10)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 4

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

FALSE

AACSB: Group/individual dynamics (10)
Bloom's: Knowledge
Difficulty: Moderate
Learning Objective: 4

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

AACSB: Group/individual dynamics (10)
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 4

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

FALSE

AACSB: Group/individual dynamics (10)
Bloom's: Comprehension
Difficulty: Moderate
Learning Objective: 4

31. (p. 59) Hewlett-Packard is an organization that is committed to Theory X management.

FALSE

AACSB: Group/individual dynamics (10)
Bloom's: Knowledge
Difficulty: Moderate
Learning Objective: 4

32. (p. 60) Management science is a more modern extension of the ideas of scientific management.

TRUE

AACSB: Domestic and global economic environments (13)

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 5

33. (p. 60) The use of information technology detracts from the usefulness of management science approaches.

FALSE

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 5

34. (p. 62) When an organization ignores its external environment, it has a tendency to dissolve and disintegrate and entropy can result.

TRUE

AACSB: Domestic and global economic environments (13)

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 6

35. (p. 63) A mechanistic structure typically rests on Theory Y assumptions, while an organic structure typically rests on Theory X or Theory Z assumptions.

FALSE

AACSB: Domestic and global economic environments (13)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 6

36. (p. 63) Typically, managers who work in a mechanistic structure can react more quickly to change than managers who work in an organic structure.

FALSE

AACSB: Domestic and global economic environments (13)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 6

37. (p. 63) McDonald's operates using an organic structure.

FALSE

AACSB: Domestic and global economic environments (13)

Bloom's: Knowledge

Difficulty: Moderate

Learning Objective: 6

Multiple Choice Questions

38. (p. 40) The manufacturing system that uses small teams of workers on a moving assembly line is called:

A. NUMMI

B. Small batch production

C. Mass production manufacturing

D. Lean production

E. Automation

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 1

39. (p. 43) Who founded the early study of management thought which became known as scientific management?

- A. Elton Mayo
- B. Frank Gilbreth
- C. Max Weber
- D. Henri Fayol
- E.** F.W. Taylor

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 2

40. (p. 43) 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

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 2

41. (p. 44) One way Henry Ford dealt with the problem of workers not working up to their potential was:

- A. Strict discipline
- B.** Moving conveyor belts
- C. Rewards for performance
- D. More frequent breaks for workers
- E. Better lighting

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Moderate

Learning Objective: 2

42. (p. 45) 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.** All of these were part of Fordism

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Moderate

Learning Objective: 2

43. (p. 46) The Gilbreths are best known for their studies of:

- A. Fatigue
- B. Work movements
- C. Human relations
- D. Management science
- E.** Both fatigue and work movements

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Moderate

Learning Objective: 2

44. (p. 49) 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. Behavioral management
- E. The Hawthorne effect

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

45. (p. 49) Which of the following gives managers the right to direct and to control their subordinates in order to attempt to accomplish organizational goals?

- A. The Hawthorne effect
- B. Bureaucracy
- C. Esprit de corps
- D. Authority**
- E. Discipline

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

46. (p. 50) Formal, written instructions which specify what workers should do on the job under different conditions are known as:

- A. Rules**
- B. Norms
- C. Informal organizational understandings
- D. Standard operating procedures
- E. Bureaucratic control

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

47. (p. 50) 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. Centralization

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

48. (p. 50) 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. The chain of command
- D. Norms**
- E. Contingency theory

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

49. (p. 50) When a factory has a standard practice that each machine operator should leave his or her work station in a clean condition and ready for the next shift of workers, this is an example of:

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

AACSB: Integrated production and distribution of goods (9)

Bloom's: Application

Difficulty: Moderate

Learning Objective: 3

50. (p. 50) A sales organization's employee manual states that standard practice is that salespeople who call on customers on construction sites should wear a "hard hat" at all times during this sales call. This is an example of:

- A. A norm
- B. A rule**
- C. A guideline
- D. Theory X
- E. Theory Y

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

AACSB: Integrated production and distribution of goods (9)

Bloom's: Application

Difficulty: Hard

Learning Objective: 3

51. (p. 50) 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: Integrated production and distribution of goods (9)

Bloom's: Application

Difficulty: Hard

Learning Objective: 3

52. (p. 50) MegaMart store has a "greeter" at the front entrance who is required by the store to "welcome all customers with a smile." This practice is called:

- A. A norm
- B. The line of authority
- C.** A rule
- D. Synergy
- E. Integration

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

AACSB: Integrated production and distribution of goods (9)

Bloom's: Application

Difficulty: Hard

Learning Objective: 3

53. (p. 51) "Informal authority" can result from:

- A. Technical knowledge
- B. Moral character
- C. Job expertise
- D. The ability to lead
- E.** All of the above

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 3

54. (p. 52) The idea that every worker should receive orders from only one superior is called:

- A. Line of authority
- B. Unity of command**
- C. Centralization
- D. Equity
- E. Initiative

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

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. Discipline
- C. Unity of direction
- D. Unity of command
- E. Initiative

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

56. (p. 52) 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.

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 3

57. (p. 52) The Director of Athletics at Whassamatta University reports jointly to both the Dean of Faculty and the Dean of Student Affairs. This is a violation of which one of Fayol's principles?

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

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

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Hard
Learning Objective: 3

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. Line of authority**
- C. Discipline
- D. Order
- E. Initiative

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

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Hard
Learning Objective: 3

59. (p. 52) 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

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 3

60. (p. 52) If the CEO has a long-range strategic plan for the organization and the Marketing department has its own five-year strategic plan, but these plans are not coordinated, this is a violation of Fayol's principle of:

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

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

AACSB: Integrated production and distribution of goods (9)

Bloom's: Application

Difficulty: Hard

Learning Objective: 3

61. (p. 52) A CEO who spends a great deal of time working with executives to develop a five-year strategic plan for the organization is acting most consistently with Fayol's principle of:

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

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

AACSB: Integrated production and distribution of goods (9)
Bloom's: Application
Difficulty: Hard
Learning Objective: 3

62. (p. 53) "Organizational charts" are a representation of which of Fayol's principles of management?

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

AACSB: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Easy
Learning Objective: 3

63. (p. 53) The ability of workers to act on their own, without supervision by a manager, is known as:

- A. Discipline
- B. Unity of command
- C. Initiative
- D. Order
- E. The Hawthorne effect

AACSB: Integrated production and distribution of goods (9)
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 3

64. (p. 53) 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. The chain of command
- E. Unity of command

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 3

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

- A. Centralization
- B. Unity of direction
- C. Discipline
- D. Order**
- E. Initiative

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 3

66. (p. 53) The idea that "managers should encourage employees to be innovative and creative in their work" is an example of Fayol's principle of:

- A. Unity of command
- B. Initiative**
- C. Line of authority
- D. Centralization
- E. Equity

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 3

67. (p. 53) The idea that top management should pay employees in a way that is fair for both the employees and the organization is an example of Fayol's principle of:

- A. Esprit de corps
- B. Centralization
- C. Remuneration of personnel**
- D. Unity of command
- E. Unity of direction

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 3

68. (p. 53) An organization that gives "cash bonuses" to top managers whenever the organization has an especially profitable year is acting consistently with Fayol's principle of:

- A. Stability of tenure of personnel
- B. Unity of direction
- C. Order
- D. Initiative**
- E. None of the above

AACSB: Integrated production and distribution of goods (9)

Bloom's: Application

Difficulty: Moderate

Learning Objective: 3

69. (p. 53) 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**

AACSB: Integrated production and distribution of goods (9)

Bloom's: Application

Difficulty: Moderate

Learning Objective: 3

70. (p. 60) 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: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Hard
Learning Objective: 4

71. (p. 53) 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

AACSB: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Moderate
Learning Objective: 3

72. (p. 53-54) 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

AACSB: Integrated production and distribution of goods (9)
Bloom's: Application
Difficulty: Moderate
Learning Objective: 3

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

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 3

74. (p. 55-56) 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 the informal organization
- 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 pages listed.

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Hard

Learning Objective: 3

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

AACSB: Integrated production and distribution of goods (9)

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 3

76. (p. 56) 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

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 4

77. (p. 57) Which management theory advocates that supervisors be trained to manage subordinates according to behavioral principles in order to achieve the cooperation of these subordinates and, thereby, to increase their productivity?

- A. Scientific management
- B. Equity theory
- C. The Hawthorne studies
- D. Human relations movement**
- E. TQM

AACSB: Group/individual dynamics (10)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 4

78. (p. 57) One of the main implications of the Hawthorne Studies was that:

- A. Illumination affects workers' productivity
- B. Illumination effects workers' satisfaction
- C. Workers' feelings and thoughts can affect performance**
- D. A group will perform at a level lower than its members working individually
- E. Management is unnecessary

AACSB: Group/individual dynamics (10)

Bloom's: Comprehension

Difficulty: Moderate

Learning Objective: 4

79. (p. 57) The system of rules of behavior that emerge as a group of workers get to know one another by working together is known as:

- A. An informal organization
- B. A code of conduct
- C. Scientific management
- D. A formal organization
- E. None of the above

AACSB: Group/individual dynamics (10)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 4

80. (p. 57) 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

AACSB: Group/individual dynamics (10)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 4

81. (p. 58) Managers who accept the assumptions of Theory X:

- 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. All of the above

AACSB: Group/individual dynamics (10)

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 4

82. (p. 58) 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. None of the above

AACSB: Group/individual dynamics (10)

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 4

83. (p. 58) If a manager feels that his major job responsibility is "to counteract the natural tendencies of subordinates to avoid working hard," this manager is acting consistently with the principles of:

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

AACSB: Group/individual dynamics (10)

Bloom's: Knowledge

Difficulty: Moderate

Learning Objective: 4

84. (p. 58) If a manager feels that her responsibility is to create a work setting in which her subordinates consider their work to be satisfying, she is acting consistently with the principles of:

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

Theory Y is a set of positive assumptions about workers that lead to this conclusion about managerial responsibility.

AACSB: Group/individual dynamics (10)

Bloom's: Comprehension

Difficulty: Hard

Learning Objective: 4

85. (p. 59) The HP Way emphasizes:

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

AACSB: Group/individual dynamics (10)

Bloom's: Knowledge

Difficulty: Moderate

Learning Objective: 4

86. (p. 60) 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

AACSB: Domestic and global economic environments (13)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 5

87. (p. 60) The aspect of management theory that uses mathematical techniques such as modeling and simulation to help managers to make better decisions is called:

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

AACSB: Domestic and global economic environments (13)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 5

88. (p. 60) 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

AACSB: Domestic and global economic environments (13)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 5

89. (p. 61) 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

AACSB: Domestic and global economic environments (13)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 6

90. (p. 61) The theory (-ies) that describe the impact of external forces on the organization is(are) called:

- A. Scientific management
- B. Management science
- C. Administrative management
- D. Organization-environment theory**
- E. The human relations movement

AACSB: Integrated production and distribution of goods (9)

Bloom's: Knowledge

Difficulty: Moderate

Learning Objective: 6

91. (p. 61) 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

AACSB: Domestic and global economic environments (13)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 6

92. (p. 61) The stage of a system during which the organization obtains resources such as raw materials and labor in order to produce goods is known as:

- A. The conversion stage
- B. The behavioral stage
- C. The output stage
- D. The open stage
- E.** The input stage

AACSB: Domestic and global economic environments (13)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 6

93. (p. 61) The stage of a system during which the organization transforms raw materials into finished goods outputs such as automobiles or French fries is known as:

- A. The input stage
- B. The behavioral stage
- C. The open stage
- D.** The conversion stage
- E. The output stage

AACSB: Domestic and global economic environments (13)

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 6

94. (p. 61-62) The stage of a system during which the organization releases finished goods inventory to the external environment so that customers can purchase these goods is known as:

- A. The input stage
- B. The conversion stage
- C. The output stage**
- D. The open stage
- E. The behavioral stage

AACSB: Domestic and global economic environments (13)
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 6

95. (p. 62) 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 management**
- C. Quantitative management
- D. Administrative management
- E. Human relations management

AACSB: Domestic and global economic environments (13)
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 6

96. (p. 62) 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. The human relations movement

AACSB: Domestic and global economic environments (13)
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 6

97. (p. 62) A top manager recognizes that her organization's markets are highly volatile because the actions of competitors are very difficult to predict accurately. In response, she tries to create an organization that is very flexible and can react quickly. Which principle is she following?

- A. Open systems theory
- B. Situational leadership 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: Domestic and global economic environments (13)
Bloom's: Application
Difficulty: Hard
Learning Objective: 6

98. (p. 62) Juanita alters her management style depending on the particular issue with which she is dealing. She is acting consistently with the principles of:

- A. Management science theory
- B. Contingency theory**
- C. Theory X
- D. Administrative management theory
- E. A bureaucracy

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: Domestic and global economic environments (13)
Bloom's: Comprehension
Difficulty: Hard
Learning Objective: 6

99. (p. 72) ABC Company's external environment is changing rapidly and it responds by decentralizing decisions to lower-level managers so that the organization can react faster.

ABC 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

AACSB: Domestic and global economic environments (13)

Bloom's: Application

Difficulty: Moderate

Learning Objective: 6

100. (p. 63) 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: Domestic and global economic environments (13)

Bloom's: Application

Difficulty: Hard

Learning Objective: 6

Essay Questions

101. (p. 43-44) 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. Discuss any two of these four principles and explain how each of them could be applied to workers in an automobile assembly line.

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 SOP's.
- (3) Carefully select workers who possess the skills and abilities that match the tasks, and train them to perform according to established rules and SOP's.
- (4) Establish a fair level of performance for a task, and then pay reward to those who perform over that level.

AACSB: Integrated production and distribution of goods (9)
Bloom's: Application
Difficulty: Hard
Learning Objective: 2

102. (p. 43-56) Choose any three of the following management contributors: Taylor, Fayol, Weber, Follett, the Gilbreths. Briefly discuss (1) at least two of their major contributions and (2) how these contributors have influenced today's organizations.

The contributions of these management scholars are discussed in depth on the pages indicated below.

AACSB: Integrated production and distribution of goods (9)
Bloom's: Application
Difficulty: Hard
Learning Objective: 2
Learning Objective: 3 & 4

103. (p. 46) Discuss the impact of Taylor's and the Gilbreths' work on the working lives of factory employees. What "games" did managers and workers engage in?

Taylor's work has specifically influenced the management of production systems, especially job analysis and efficient work systems. The work of Taylor, the Gilbreths, and others generally caused jobs to become more boring, repetitive, and monotonous than old craft work, and workers became dissatisfied. Managers and workers came into conflict.

AACSB: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Hard
Learning Objective: 2

104. (p. 49-50) Max Weber developed five principles as to how work should be organized within a bureaucracy. Select any two of these principles and discuss how a manager would behave in a factory if that manager were trying to follow each of the two principles which you have selected.

- (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, SOP's, and norms to control behavior effectively.

AACSB: Integrated production and distribution of goods (9)
Bloom's: Analysis
Difficulty: Hard
Learning Objective: 3

105. (p. 50) Max Weber's principles of management theory within a bureaucracy have had a great impact upon the management actions of many large organizations. Discuss three disadvantages of management under a bureaucracy in terms of what can result if the principles are not applied in an appropriate manner.

If bureaucracies are not managed well, rules and SOPs can evolve into "red tape" which becomes so complicated that decisions are slowed down considerably, the organization is unable to change with the times, and the managers become so inflexible that they cannot make decisions by other means than by following the rules.

AACSB: Integrated production and distribution of goods (9)
Bloom's: Analysis
Difficulty: Moderate
Learning Objective: 3

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: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Hard
Learning Objective: 3

107. (p. 52) 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: Integrated production and distribution of goods (9)
Bloom's: Comprehension
Difficulty: Hard
Learning Objective: 3

108. (p. 56-57) 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: Group/individual dynamics (10)
Bloom's: Comprehension
Difficulty: Hard
Learning Objective: 4

109. (p. 58) 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: Group/individual dynamics (10)
Bloom's: Comprehension
Difficulty: Hard
Learning Objective: 4

110. (p. 60) Identify and explain the branches of management science.

- (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: Domestic and global economic environments (13)
Bloom's: Knowledge
Difficulty: Moderate
Learning Objective: 5

111. (p. 61-62) Explain the open systems view of organizations. Why is it useful for managers?

The open systems view is that organizations take in resources from their external environment and convert those resources to goods and services. These are then sent back out into the environment to be purchased by customers. Managers can benefit from this view by understanding the impact that their environment has on their internal operations, particularly in terms of how environmental stability or change affects the effectiveness of different systems and structures.

AACSB: Domestic and global economic environments (13)

Bloom's: Comprehension

Difficulty: Hard

Learning Objective: 6

112. (p. 62) Explain "contingency theory".

Contingency theory is the idea that the effectiveness of organizational structure and control systems depends on the characteristics of an organization's external environment. Basically, mechanistic structures are more appropriate for organizations in stable environments, and organic structures are more appropriate for organizations in changing environments.

AACSB: Domestic and global economic environments (13)

Bloom's: Knowledge

Difficulty: Moderate

Learning Objective: 6