***Contemporary Management, 11e* (Jones)**

**Chapter 2 The Evolution of Management Thought**

1) At the end of the 19th century, after the industrial revolution, managers found that they not only had to adjust to new technologies in the workplace but also to the social problems that accompanied them.

Answer: TRUE

Explanation: Many managers and supervisors in these workshops and factories were engineers who had only a technical orientation. They were unprepared for the social problems that occur when people work together in large groups in a factory or shop system.

Difficulty: 2 Medium

Topic: Functions of management

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

2) Jaron wants to speed up the production process, so he used a time-and-motion study that monitored the actions required to complete the tasks in the assembly line.

Answer: TRUE

Explanation: A time-and-motion study involves the careful timing and recording of the actions taken to perform a particular task.

Difficulty: 2 Medium

Topic: Scientific management

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.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

3) The original purpose of Frederick W. Taylor's scientific management techniques was to find a way to increase profitability by using intuitive, or rule-of-thumb knowledge.

Answer: FALSE

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

Difficulty: 1 Easy

Topic: Scientific management

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

4) According to Fayol's principles of management, workers should be given more job duties to perform with less responsibility for their work outcomes.

Answer: FALSE

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

Difficulty: 2 Medium

Topic: Fayol's division of labor

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

5) Fayol recommended the use of organizational charts to show the position and duties of each employee in the organization.

Answer: TRUE

Explanation: 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.

Difficulty: 2 Medium

Topic: Fayol's division of labor

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

6) When Max was promoted to supervise his fellow workers on a production line, he treated them with respect. His coworkers liked working for "one of their own," and their performance improved. This demonstrates the Hawthorne effect.

Answer: TRUE

Explanation: The Hawthorne effect suggests that each manager's personal behavior or leadership approach can affect workers' performance.

Difficulty: 3 Hard

Topic: Hawthorne studies

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

7) Sonja, a supervisor in a garment factory, believed that her workers were lazy and tried to get away with doing as little work as possible. Sonja's attitude about the workers corresponds to McGregor's Theory Y.

Answer: FALSE

Explanation: According to the assumptions of Theory X, the average worker is lazy, dislikes work, and will try to do as little as possible.

Difficulty: 3 Hard

Topic: Theory X and Theory Y

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

8) Management science theory focuses on the use of rigorous quantitative techniques.

Answer: TRUE

Explanation: 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.

Difficulty: 1 Easy

Topic: Scientific management

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

9) An open system uses resources from its external environment and converts them into goods and services.

Answer: TRUE

Explanation: An open system takes in resources from its external environment and converts or transforms them into goods and services that are sent back to that environment, where they are bought by customers.

Difficulty: 1 Easy

Topic: Open system

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

10) A drawback of management information systems is that they provide information only about an organization's internal environment, and not the external environment.

Answer: FALSE

Explanation: Management information systems give managers information about events occurring inside the organization as well as in its external environment.

Difficulty: 2 Medium

Topic: Management information system (MIS)

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.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

11) The \_\_\_\_\_\_\_ theory was introduced in the latter part of the 19th century shortly after the industrial revolution had occurred in Europe and America.

A) organizational environment

B) management science

C) behavioral management

D) administrative management

E) scientific management

Answer: E

Explanation: Several management theories emerged around the turn of the 20th century. First was the scientific management theory, which focuses on matching people and tasks to maximize efficiency.

Difficulty: 2 Medium

Topic: Scientific management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

12) Northeast Woodworking is a small business run by skilled workers who produce customized and hand-manufactured furniture. This company engages in \_\_\_\_\_\_\_\_ production.

A) mass

B) flow

C) crafts

D) series

E) mechanized

Answer: C

Explanation: Crafts production refers to a system where small workshops run by skilled workers produce hand-manufactured products.

Difficulty: 2 Medium

Topic: Scientific management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

13) Job specialization refers to the process by which

A) each position's formal authority in an organizational hierarchy is established.

B) division of labor occurs as different workers gain expertise in tasks.

C) subordinates receive orders and report to only one superior.

D) members of different departments work together in cross-departmental teams to accomplish projects.

E) employees explore new ways to improve how tasks are performed.

Answer: B

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

Difficulty: 1 Easy

Topic: Specialization

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

14) Adam Smith advocated \_\_\_\_\_\_\_\_ to produce products more quickly.

A) job specialization

B) division of labor

C) unity of direction

D) job rotation

E) centralization

Answer: A

Explanation: Job specialization is the process by which a division of labor occurs as different workers specialize in tasks. Smith believed that 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.

Difficulty: 1 Easy

Topic: Specialization

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

15) Joan has been working in a bicycle factory for several months. The assembly process requires multiple tasks, and Joan's supervisor assigns her to apply the custom paint and add the decals. Adding the decals requires perfection, and Joan does it quickly and always performs the task well, so her supervisor decides to keep her in this position. This is an example of

A) standard operating procedures.

B) time-and-motion study.

C) job specialization.

D) the human relations movement.

E) job rotation.

Answer: C

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

Difficulty: 2 Medium

Topic: Specialization

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.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

16) Frederick W. Taylor is best known for defining the techniques of

A) scientific management.

B) administrative management.

C) behavioral management.

D) management science.

E) organizational management.

Answer: A

Explanation: 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. Taylor was a manufacturing manager who eventually became a consultant and taught other managers how to apply his scientific management techniques.

Difficulty: 1 Easy

Topic: Scientific management

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

17) Frederick Taylor believed that written rules and standard operating procedures

A) limited initiative and should be avoided.

B) spelled out the division of labor and increased effectiveness.

C) stifled esprit de corps.

D) made workers like their jobs less.

E) standardized and simplified jobs, making them more efficient.

Answer: E

Explanation: Once the best method of performing a particular task was determined, Taylor specified that it should be recorded so this procedure could be taught to all workers performing the same task. These new methods further standardized and simplified jobs—essentially making jobs even more routine.

Difficulty: 2 Medium

Topic: Scientific management

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.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

18) According to Taylor, the production process becomes more efficient with

A) an increase in the effort that each worker puts in to produce a unit of output.

B) an increase in the amount of time required to produce a unit of output.

C) an increase in division of labor through specialization.

D) the use of informal rule-of-thumb knowledge.

E) the use of intuitive knowledge.

Answer: C

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

Difficulty: 1 Easy

Topic: Scientific management

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

19) What did Frank and Lillian Gilbreth discover in their study of fatigue in the workplace?

A) Fatigue occurs less often with specialization of tasks.

B) Lighting and the color of the walls had an effect on fatigue.

C) There was not a strong correlation between fatigue and job performance.

D) The more quickly a job could be done, the less fatigue was experienced.

E) Job stress did not lead to fatigue.

Answer: B

Explanation: The Gilbreths studied how physical characteristics of the workplace contribute to job stress that often leads to fatigue and, thus, poor performance. They isolated factors that result in worker fatigue, such as lighting, heating, the color of walls, and the design of tools and machines.

Difficulty: 1 Easy

Topic: Scientific management

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

20) Sally works on a production line. Her manager moves several of her coworkers around to achieve the right worker–task specialization and to link people and tasks by the speed of the production line. If successful, the manager will

A) lower costs.

B) increase workplace monotony.

C) increase job satisfaction.

D) decrease organizational output.

E) decrease mechanization of the work process.

Answer: A

Explanation: From a performance perspective, the combination of the two management practices—achieving the right worker–task specialization and linking people and tasks by the speed of the production line—produces the huge cost savings and dramatic output increases that occur in large, organized work settings.

Difficulty: 2 Medium

Topic: Scientific management

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.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

21) Administrative management is the study of how to

A) control the organization's relationship with its external environment.

B) create an organizational structure that leads to high efficiency and effectiveness.

C) tap into the feelings, thoughts, and behavior of work-group members and managers that affect worker performance.

D) determine characteristics of the work setting that affect worker performance.

E) motivate employees and encourage them to take on tasks outside their job title.

Answer: B

Explanation: Administrative management is the study of how to create an organizational structure and control system that leads to high efficiency and effectiveness.

Difficulty: 1 Easy

Topic: Administrative management theory

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

22) Communication among managers in Angelo's business was slowing down the pace of planning and organizing, so Angelo recently merged some of the company's departments and cut back on the number of managerial levels. This demonstrates which of Fayol's principles of management?

A) unity of direction

B) order

C) authority and responsibility

D) unity of command

E) line of authority

Answer: E

Explanation: 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. Restricting the number of hierarchical levels to lessen these communication problems lets an organization act quickly and flexibly.

Difficulty: 2 Medium

Topic: Fayol's principles of management

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

23) \_\_\_\_\_\_\_\_ refers to a system of task and authority relationships that controls how employees use resources to achieve a company's goals.

A) Bureaucracy

B) A closed system

C) An open system

D) Organizational structure

E) Organic structure

Answer: D

Explanation: Organizational structure is the system of task and authority relationships that controls how employees use resources to achieve the organization's goals.

Difficulty: 1 Easy

Topic: Administrative management theory

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

24) \_\_\_\_\_\_\_\_ refers to a formal system of organization and administration designed to ensure efficiency and effectiveness.

A) Empowerment

B) Bureaucracy

C) An open system

D) Synergy

E) Authority

Answer: B

Explanation: Bureaucracy is a formal system of organization and administration designed to ensure efficiency and effectiveness.

Difficulty: 1 Easy

Topic: Bureaucratic control

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

25) In a bureaucracy, a manager's formal authority derives from

A) the manager's social standing and personal contacts.

B) informal rule-of-thumb knowledge.

C) intuitive knowledge.

D) codifying the new methods of performing tasks into written rules.

E) the position the manager holds in the organization.

Answer: E

Explanation: In a bureaucracy, a manager's formal authority derives from the position he or she holds in the organization.

Difficulty: 1 Easy

Topic: Line of authority

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

26) \_\_\_\_\_\_\_\_ is the power to hold workers accountable for their actions and to make decisions about the use of organizational resources.

A) Initiative

B) Synergy

C) Authority

D) Bureaucracy

E) Empowerment

Answer: C

Explanation: Authority is the power to hold people accountable for their actions and to make decisions concerning the use of organizational resources.

Difficulty: 1 Easy

Topic: Line of authority

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

27) Billy Jean was angry that her supervisor told her she had to change the way she performed the job to increase her efficiency. However, the supervisor's position gave him the \_\_\_\_\_\_\_\_ to change Billy Jean's work behavior.

A) initiative

B) pay grade

C) authority

D) bureaucracy

E) empowerment

Answer: C

Explanation: Authority is the power to hold people accountable for their actions and to make decisions concerning the use of organizational resources.

Difficulty: 3 Hard

Topic: Line of authority

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

28) \_\_\_\_\_\_\_\_ gives managers the right to direct and control their subordinates' behavior to accomplish organizational goals.

A) Entropy

B) Synergy

C) Bureaucracy

D) Authority

E) Equity

Answer: D

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

Difficulty: 1 Easy

Topic: Line of authority

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

29) When the tasks and authority associated with various positions in the organization are clearly specified, it creates a scenario where

A) employees are not sure of what is expected of them.

B) employees can be held strictly accountable for their actions.

C) managers face difficulty in tracking the assigned tasks.

D) confused employees create havoc within the formal hierarchy of authority.

E) order and discipline are undermined.

Answer: B

Explanation: When the tasks and authority associated with various positions in the organization are clearly specified, an organization can hold all its employees strictly accountable for their actions when they know their exact responsibilities.

Difficulty: 2 Medium

Topic: Line of authority

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

30) Henri Fayol believed that in order to increase the efficiency of the management process, it is essential that

A) authority is concentrated at the top of the chain of command.

B) managers discourage creativity in employees so that they stay focused on their jobs.

C) there are a greater number of levels in a managerial hierarchy.

D) managers do not have the right to give orders to employees; they should only give polite instructions.

E) all organizational members are treated with justice and respect.

Answer: E

Explanation: Henri Fayol believed that all organizational members ought to be treated with respect for their own sense of integrity and with justice and respect.

Difficulty: 1 Easy

Topic: Fayol's division of labor

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

31) Maria's job involves maintaining an accurate inventory and financial data. Her manager provided her with specific written instructions on how to perform the job task that is also used by other employees who do the same work. This is an example of

A) organizational norms.

B) bureaucracy.

C) discipline.

D) standard operating procedures.

E) behavioral management.

Answer: D

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

Difficulty: 2 Medium

Topic: Standardization

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

32) In the context of management, rules refer to

A) a reporting relationship in which an employee receives orders from only one superior.

B) the ability of an individual to act on his own accord without direction from a superior.

C) formal written instructions that specify actions to be taken under different circumstances.

D) the performance gains that result when individuals and departments coordinate their actions.

E) the methodical arrangement of positions to provide the organization with the greatest benefit.

Answer: C

Explanation: Rules are formal written instructions that specify actions to be taken under different circumstances to achieve specific goals.

Difficulty: 1 Easy

Topic: Bureaucratic control

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

33) Michel's company's IT department sent an email to all employees explaining how employees must secure their computers when they leave their offices. Employees would most likely consider these instructions

A) norms.

B) rules.

C) suggestions.

D) orders.

E) recommendations.

Answer: B

Explanation: Rules are formal written instructions that specify actions to be taken under different circumstances to achieve specific goals.

Difficulty: 2 Medium

Topic: Bureaucratic control

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

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

34) An example of a company's standard operating procedure is

A) a general recommendation that all employees leave their work machines in good order.

B) a compulsory practice of employees cleaning their work areas at the end of each day.

C) an informal code of conduct prescribing that employees help each other if time permits.

D) a suggestion by the technical department to save all work-related files on the company FTP site.

E) a recommendation by the human resources department that employees wear formal clothes during the week.

Answer: B

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

Difficulty: 2 Medium

Topic: Bureaucratic control

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

35) An example of a norm is

A) a general mandatory guideline requiring all employees to leave their work machines in good order.

B) a specific mandatory guideline asking employees to oil machine parts labeled A and B and replace C and D.

C) an informal code of conduct recommending that employees help each other if time permits.

D) a requirement by the human resources department that employees wear formal clothes during the week.

E) a suggestion by the technical department that all work-related files are saved in a common location.

Answer: C

Explanation: Norms are unwritten, informal codes of conduct that prescribe how people should act in particular situations and are considered important by most members of a group or organization.

Difficulty: 2 Medium

Topic: Bureaucratic control

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

36) An example of a rule is

A) a general mandatory guideline requiring all employees to leave their work machines in good working order.

B) a statement issued by the company specifying the sales projection for the next fiscal year.

C) an informal code of conduct recommending that employees help each other if time permits.

D) a recommendation by the human resources department that employees wear formal clothes during the week.

E) a suggestion by the technical department to save all work-related files on the company's FTP site.

Answer: A

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

Difficulty: 2 Medium

Topic: Bureaucratic control

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

37) In an organization, rules are

A) formal, written instructions to achieve specific goals.

B) unwritten expectations of behavior.

C) informal codes of conduct.

D) focused more on creating goals rather than achieving them.

E) suggestions about best practices.

Answer: A

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

Difficulty: 1 Easy

Topic: Bureaucratic control

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

38) In an organization that follows Weber's principles of bureaucracy, positions are arranged

A) hierarchically.

B) by functional departments.

C) by skills.

D) by salary level.

E) in a flat line.

Answer: A

Explanation: Weber's principle 4 states that authority is exercised effectively when positions are arranged hierarchically.

Difficulty: 1 Easy

Topic: Bureaucratic control

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

39) Norms are

A) mandatory instructions that must be followed by all employees of a company.

B) written instructions about desired behavior in the workplace.

C) informal codes of conduct among employees in a particular company.

D) detailed instructions about how to perform a certain aspect of a task.

E) specified actions to be taken under different circumstances to achieve specific company goals.

Answer: C

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

Difficulty: 1 Easy

Topic: Norms

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

40) Henri Fayol's principles of management are

A) no longer considered a useful theory of management.

B) the bedrock on which much of recent management theory and research is based.

C) strongly based on Weber's theory of management.

D) opposed to the division of labor in principle.

E) based primarily on the belief that authority should be concentrated at the top of the chain of command.

Answer: B

Explanation: Although Fayol's 14 principles of management were developed at the turn of the 20th century, they remain the bedrock on which much of recent management theory and research is based.

Difficulty: 1 Easy

Topic: Fayol's principles of management

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

41) Josh works for an advertising agency. There are several middle managers, but Josh only receives orders from and reports to one manager. Which of Fayol's principles of management is illustrated by Josh's relationship with his manager?

A) initiative

B) unity of command

C) centralization

D) unity of direction

E) equity

Answer: B

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

Difficulty: 3 Hard

Topic: Unity of command

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

42) According to Fayol, \_\_\_\_\_\_\_\_ refers to the chain of command extending from the top to the bottom of an organization.

A) line of authority

B) division of labor

C) unity of direction

D) unity of command

E) centralization

Answer: A

Explanation: The length of the line of authority, or chain of command extending from the top to the bottom of an organization, should be limited.

Difficulty: 1 Easy

Topic: Line of authority

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

43) Tayler is an engineer at an assembly plant for an auto company. Tayler receives orders from and reports to both his department manager and his project manager. This violates Fayol's principle of

A) centralization.

B) unity of command.

C) unity of direction.

D) division of authority and responsibility.

E) line of authority.

Answer: B

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

Difficulty: 3 Hard

Topic: Unity of command

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

44) Rashid has chosen not to advocate for dual command at his company because it

A) causes confusion among subordinates.

B) strengthens order and discipline.

C) makes assessing a manager's authority easy.

D) was advocated by Henri Fayol.

E) exists when a subordinate receives orders from only one supervisor.

Answer: A

Explanation: Dual command confuses subordinates, undermines order and discipline, and creates havoc within the formal hierarchy of authority.

Difficulty: 2 Medium

Topic: Unity of command

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

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

45) Company Z has an organizational hierarchy with salespeople at the bottom, who report to regional sales managers, who in turn report to a director of marketing. The director of marketing reports to the CEO. This is an example of which of Fayol's principles of management?

A) centralization

B) division of labor

C) line of authority

D) equity

E) discipline

Answer: C

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

Difficulty: 2 Medium

Topic: Line of authority

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

46) \_\_\_\_\_\_\_\_ refers to the concentration of authority at the top of the organizational chart instead of being distributed throughout the managerial hierarchy.

A) Unity of direction

B) Synergy

C) Centralization

D) Unity of command

E) Entropy

Answer: C

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

Difficulty: 1 Easy

Topic: Fayol's division of labor

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

47) When an organization is centralized,

A) authority is concentrated at the top of the managerial hierarchy.

B) subordinates play an important role in decision making within the company.

C) it prevents the organization from pursuing its strategy.

D) it makes middle and first-line managers more flexible and adaptable.

E) it allows people who are closest to problems to respond to them in a timely manner.

Answer: A

Explanation: If authority is very centralized, only managers at the top make important decisions and subordinates simply follow orders. It also reduces the motivation of middle and first-line managers and makes them less flexible and adaptable because they become reluctant to make decisions on their own, even when doing so is necessary.

Difficulty: 1 Easy

Topic: Fayol's division of labor

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

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

48) Carl works for a printing business that offers printing and copying, bookbinding, and graphic design. The business has a single, comprehensive long-term plan that guides every department. The business is following Fayol's principle of

A) order.

B) line of authority.

C) unity of command.

D) unity of direction.

E) centralization.

Answer: D

Explanation: Unity of direction is the singleness of purpose that makes possible the creation of one plan of action to guide managers and workers as they use organizational resources.

Difficulty: 2 Medium

Topic: Fayol's division of labor

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

49) Fayol recommended the use of \_\_\_\_\_\_\_\_ to show the position and duties of each employee and to indicate which positions an employee might move to or be promoted to in the future.

A) an organizational chart

B) an initiative analysis

C) unity of direction

D) the critical path method (CPM)

E) an extensive career plan

Answer: A

Explanation: 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. Fayol also advocated that managers engage in extensive career planning to help ensure orderly career paths.

Difficulty: 2 Medium

Topic: Fayol's division of labor

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

50) An employee who respects her manager's authority and strives to achieve the organization's goals is demonstrating Fayol's principle of

A) order.

B) discipline.

C) esprit de corps.

D) equity.

E) remuneration of personnel.

Answer: B

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

Difficulty: 2 Medium

Topic: Fayol's division of labor

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

51) Fayol's principle of initiative suggests that

A) managers must act fairly and equitably.

B) managers should encourage employees to act on their own without direction from a supervisor.

C) managers should ensure that the tasks and roles of each employee require innovation and creativity.

D) organizations provide employees with career opportunities that satisfy their needs.

E) managers should use rewards to motivate the behavior of employees.

Answer: B

Explanation: Initiative is the ability to act on one's own without direction from a superior. Used properly, initiative can be a major source of strength for an organization because it leads to creativity and innovation.

Difficulty: 2 Medium

Topic: Fayol's division of labor

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

52) Henri Fayol's principle of equity refers to

A) the concentration of authority at the top of the managerial hierarchy.

B) shared feelings of comradeship, enthusiasm, or devotion to a common cause among members of a group.

C) the justice, impartiality, and fairness to which all organizational members are entitled.

D) the methodical arrangement of positions to provide the organization with the greatest benefit and to provide employees with career opportunities.

E) development of skills for long-term employees.

Answer: C

Explanation: All organizational members are entitled to be treated with justice and respect.

Difficulty: 1 Easy

Topic: Fayol's division of labor

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

53) Chris has a job as a sales representative for a pharmaceutical company. The company offers both quarterly and annual bonuses based on performance. The company also has a profit-sharing plan for its employees. This demonstrates Fayol's principle of

A) equity.

B) subordination of individual interests to the common interest.

C) initiative.

D) esprit de corps.

E) remuneration of personnel.

Answer: E

Explanation: Fayol proposed reward systems including bonuses and profit-sharing plans, which are increasingly used today as organizations seek improved ways to motivate employees.

Difficulty: 3 Hard

Topic: Fayol's division of labor

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

54) At Home Service, Inc., employees stay with the organization for many years and develop skills on the job that help Home Service, Inc. become more efficient. This is consistent with Fayol's principle of

A) unity of command.

B) unity of direction.

C) order.

D) discipline.

E) stability of tenure.

Answer: E

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

Difficulty: 2 Medium

Topic: Fayol's division of labor

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

55) Tae Min feels that it would be unfair to his team and his company to take a sick day to sleep in. He understands Fayol's principle of

A) unity of command.

B) subordination of individual interests to the common interest.

C) remuneration of personnel.

D) esprit de corps.

E) stability of tenure of personnel.

Answer: B

Explanation: 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. Employees should understand how their performance affects the performance of the whole organization.

Difficulty: 3 Hard

Topic: Fayol's division of labor

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

56) According to Henri Fayol, initiative refers to

A) the ability to act on one's own without direction from a superior.

B) shared feelings of comradeship, enthusiasm, or devotion to a common cause among members of a group.

C) the justice, impartiality, and fairness to which all organizational members are entitled.

D) the methodical arrangement of positions to provide the organization with the greatest benefit and to provide employees with career opportunities.

E) obedience, energy, application, and other outward marks of respect for a superior's authority.

Answer: A

Explanation: Although order and equity are important means to fostering commitment and loyalty among employees, Fayol believed managers must also encourage employees to exercise initiative, the ability to act on their own without direction from a superior.

Difficulty: 1 Easy

Topic: Fayol's division of labor

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

57) According to Henri Fayol, esprit de corps refers to

A) the ability to act on one's own without direction from a superior.

B) shared feelings of comradeship, enthusiasm, or devotion to a common cause among members of a group.

C) the justice, impartiality, and fairness to which all organizational members are entitled.

D) the methodical arrangement of positions to provide the organization with the greatest benefit and to provide employees with career opportunities.

E) obedience, energy, application, and other outward marks of respect for a superior's authority.

Answer: B

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

Difficulty: 1 Easy

Topic: Fayol's division of labor

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

58) Every year, Johnson-Murphy holds a company picnic with competitive games and fun activities so its employees can get to know one another in a more social setting. Johnson-Murphy is focusing on Fayol's concept of

A) esprit de corps.

B) subordination of individual interests to the common interest.

C) remuneration of personnel.

D) order.

E) unity of direction.

Answer: A

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

Difficulty: 2 Medium

Topic: Fayol's division of labor

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

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

59) The owners of Hae-Won's company make all of the important decisions even through there are middle managers who supervise front-line employees. When there are problems, these managers are reluctant to make decisions without speaking with one of the owners. This illustrates the problem with which of Fayol's principles of management?

A) unity of direction

B) equity

C) order

D) centralization

E) discipline

Answer: D

Explanation: If authority is very centralized, only managers at the top make important decisions and subordinates simply follow orders. This arrangement gives top managers great control over organizational activities and helps ensure that the organization is pursuing its strategy, but it makes it difficult for the people who are closest to problems and issues to respond to them in a timely manner. It also can reduce the motivation of middle and first-line managers and make them less flexible and adaptable because they become reluctant to make decisions on their own, even when doing so is necessary. They get used to passing the buck.

Difficulty: 2 Medium

Topic: Fayol's division of labor

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

60) Mary Parker Follett's primary criticism of Taylor's system of scientific management was that Taylor

A) proposed that managers should involve workers in analyzing their jobs to identify better ways to perform tasks.

B) did not use scientific techniques like time-and-motion studies to analyze workers' jobs.

C) was ignoring the human side of the organization and did not allow workers to exercise initiative and contribute to the organization.

D) advocated that workers, rather than managers, should be in control of the work process itself.

E) said that managers should behave as coaches and facilitators—not as monitors and supervisors.

Answer: C

Explanation: Mary Parker Follett pointed out that management often overlooks the multitude of ways in which employees can contribute to the organization when managers allow them to participate and exercise initiative in their everyday work lives. Taylor never proposed that managers should involve workers in analyzing their jobs to identify better ways to perform tasks. Furthermore, it was Follett who advocated that workers, rather than managers, should be in control of the work process itself, and managers should behave as coaches and facilitators—not as monitors and supervisors.

Difficulty: 2 Medium

Topic: Human relations movement

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

61) Which of the following best reflects Mary Parker Follett's views on management and leadership in an organization?

A) Managers should avoid involving workers in analyzing their jobs to identify better ways to perform tasks, as this could lead to employees underperforming.

B) If workers have the relevant knowledge, then workers, not managers, should be in control of the work process itself.

C) The formal line of authority and vertical chain of command are the most essential steps to effective management.

D) Members of different departments should avoid working together in cross-departmental teams to accomplish projects in order to minimize duplication of effort.

E) Managers' formal authority deriving from their position in the hierarchy should decide who will lead at any particular moment.

Answer: B

Explanation: Mary Parker Follett proposed that knowledge and expertise, and not managers' formal authority deriving from their position in the hierarchy, should decide who will lead at any particular moment. If workers have the relevant knowledge, then workers, rather than managers, should be in control of the work process itself.

Difficulty: 2 Medium

Topic: Human relations movement

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

62) Employees at Southwest Airlines have highly flexible job descriptions that enable them to chip in and help where needed. Employees are encouraged to help solve problems where they see them. Thus, it's not uncommon to see a Southwest manager helping move passenger luggage into aircraft or check in passengers at a gate. This demonstrates the concepts in

A) Theory X.

B) Theory Y.

C) contingency theory.

D) management science theory.

E) organizational environment theory.

Answer: B

Explanation: For Theory Y management, to 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.

Difficulty: 2 Medium

Topic: Theory X and Theory Y

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

63) The human relations movement advocates that

A) managers use punishments as a tool to elicit cooperation from employees.

B) the level of work-group performance be controlled by workers.

C) employees be monitored outside the workplace.

D) supervisors be behaviorally trained to manage subordinates.

E) supervisors make all the important decisions concerning the company.

Answer: D

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

Difficulty: 1 Easy

Topic: Human relations movement

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

64) What is the Hawthorne effect?

A) Group members may subject those workers who violate the group norms to sanctions.

B) Productivity increases, regardless of the level of illumination in the workplace.

C) Workers will conceal the true potential efficiency of a work system to protect their interests.

D) Workers' productivity is affected more by their manager's personal behavior than by the work setting.

E) Employees in a "no-talking" workplace develop ways of talking to one another out of the sides of their mouths.

Answer: D

Explanation: Researchers studying the effects of work-setting characteristics such as lighting and rest periods on productivity discovered that workers' productivity was affected more by the attention they received from researchers than by the characteristics of the work setting—a phenomenon that came to be known as the Hawthorne effect. In particular, the significant finding was that each manager's personal behavior or leadership approach can affect performance.

Difficulty: 2 Medium

Topic: Hawthorne studies

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

65) \_\_\_\_\_\_\_\_ is the study of the factors that have an impact on how individuals and groups respond to and act in organizations.

A) Hawthorne studies

B) Organizational behavior

C) Management science

D) Scientific management

E) Administrative management

Answer: B

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

Difficulty: 1 Easy

Topic: Behavioral management

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

66) What practice was advocated by Mary Parker Follett?

A) Workers should not be allowed to participate in the work development process.

B) Authority should align with hierarchical positions rather than knowledge.

C) Managers should behave as monitors and supervisors.

D) Workers should be allowed to exercise initiative in their everyday work lives.

E) Members of each department should stick to their own department; cross-functioning should be discouraged.

Answer: D

Explanation: Mary Parker Follett advocated the practice of allowing workers to exercise initiative in their everyday work lives.

Difficulty: 2 Medium

Topic: Human relations movement

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

67) Managers who accept the assumptions of Theory Y

A) create a work setting that encourages commitment to organizational goals.

B) give little autonomy to workers because they are inherently lazy.

C) focus on developing rules and procedures to structure the workplace.

D) rely on rewards and punishments as motivators.

E) view workers as unable to manage their own time.

Answer: A

Explanation: According to Theory Y, it is the manager's task to create a work setting that encourages commitment to organizational goals and provides opportunities for workers to be imaginative and to exercise initiative and self-direction. The characteristics of the work setting determine whether workers consider work to be a source of satisfaction or punishment, and managers do not need to closely control workers' behavior to make them perform at a high level because workers exercise self-control when they are committed to organizational goals.

Difficulty: 2 Medium

Topic: Theory X and Theory Y

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

68) Managers who accept the assumptions of Theory X

A) create a work setting that encourages commitment to organization goals.

B) counteract workers' natural tendencies to avoid work.

C) focus on giving employees opportunities to exercise initiative.

D) provide opportunities for workers to be imaginative.

E) view workers as motivated and capable of exercising self-control.

Answer: B

Explanation: Theory X assumes that the average worker is lazy, dislikes work, and will try to do as little as possible. Thus the manager's task is to counteract workers' natural tendencies to avoid work.

Difficulty: 2 Medium

Topic: Theory X and Theory Y

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

69) Managers whose attitudes regarding employees are consistent with Theory Y

A) control workers' behavior by means of rewards and punishments.

B) closely supervise their employees.

C) do not believe in giving workers any autonomy in solving problems.

D) create work settings that allow workers to exercise initiative.

E) create work settings that reflect a belief that workers are lazy.

Answer: D

Explanation: According to Theory Y, it is the manager's task to create a work setting that encourages commitment to organizational goals and provides opportunities for workers to be imaginative and to exercise initiative and self-direction.

Difficulty: 2 Medium

Topic: Theory X and Theory Y

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

70) A "ratebuster," according to Elton Mayo's and F. J. Roethlisberger's bank wiring room experiments, was a person performing

A) above the work-group performance norm.

B) below the work-group performance norm.

C) at the pace the manager requests.

D) below the company performance standard.

E) at a pace he feels matches his pay.

Answer: A

Explanation: Workers who violated group performance norms and performed above the norm were called "ratebusters," and those who performed below the norm were called "chiselers."

Difficulty: 2 Medium

Topic: Human relations movement

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

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

71) \_\_\_\_\_\_\_\_ is a contemporary approach to management that focuses on the use of rigorous quantitative techniques to assist managers to make the best use of organizational resources to produce goods and services.

A) Contingency theory

B) Management science theory

C) Administrative management

D) Behavioral management

E) The human relations movement

Answer: B

Explanation: 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.

Difficulty: 1 Easy

Topic: Scientific management

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

72) Companies that use mathematical techniques, such as modeling and simulation, to help determine how to invest its capital are using \_\_\_\_\_\_\_\_ management.

A) behavioral

B) contingency

C) quantitative

D) administrative

E) the human relations

Answer: C

Explanation: Quantitative management uses mathematical techniques—such as linear and nonlinear programming, modeling, simulation, queuing theory, and chaos theory—to help managers make decisions.

Difficulty: 1 Easy

Topic: Scientific management

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

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

73) Katz, Kahn, and Thompson viewed the organization as an open system, which means

A) it is more likely to experience entropy than is a closed system.

B) it uses resources from the external environment for internal processes but does not return anything to the external environment.

C) the input, process, and output stages in the production process are performed in the external environment.

D) it is a self-contained system that is not affected by changes in its environment.

E) it takes in resources from its external environment and converts them into goods that are then sent back to that environment for purchase by customers.

Answer: E

Explanation: 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.

Difficulty: 1 Easy

Topic: Open system

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

74) When an organization ignores the external environment and fails to acquire inputs, it is likely to experience

A) synergy.

B) entropy.

C) conversion.

D) contingency.

E) control.

Answer: B

Explanation: Organizations that operate as closed systems, that ignore the external environment, and that fail to acquire inputs are likely to experience entropy, which is the tendency of a closed system to lose its ability to control itself and thus to dissolve and disintegrate.

Difficulty: 2 Medium

Topic: Systems viewpoint

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.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

75) \_\_\_\_\_\_\_\_ is the performance gain caused by two or more departments coordinating their efforts.

A) Synergy

B) Entropy

C) Contingency theory

D) Organizational performance

E) Group performance

Answer: A

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

Difficulty: 1 Easy

Topic: Systems viewpoint

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

76) \_\_\_\_\_\_\_\_ is the idea that the organizational structures and control systems that are chosen by managers depend on characteristics of the external environment in which the organization operates.

A) Equity theory

B) Contingency theory

C) Theory X

D) Theory Y

E) Behavioral management theory

Answer: B

Explanation: 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.

Difficulty: 1 Easy

Topic: Contingency theory

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

77) The primary message of \_\_\_\_\_\_\_\_ is that there is no one best way to organize.

A) Theory X

B) administrative management theory

C) contingency theory

D) behavioral management theory

E) management science theory

Answer: C

Explanation: 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.

Difficulty: 1 Easy

Topic: Contingency theory

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.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

78) If a manager designs the organizational hierarchy based on the characteristics of the organizational environment, he is acting in accordance with \_\_\_\_\_\_\_\_ theory.

A) equity

B) Fayol's

C) contingency

D) queuing

E) chaos

Answer: C

Explanation: 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.

Difficulty: 2 Medium

Topic: Contingency theory

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.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

79) Paula starts a new bakery business. Because she must meet specific requirements from the state health department, Paula decides to use a mechanistic structure for management. What demonstrates Paula's choice to organize and control the business with a mechanistic structure?

A) The organization uses the structure only when needed—when the organizational environment is unstable.

B) A mechanistic structure requires more managerial time, money, and effort than an organic structure.

C) Employees are closely supervised and follow well-defined rules and standard operating procedures.

D) Authority is decentralized to middle and first-line managers to encourage them to take responsibility.

E) Managers can react more quickly to a changing environment than can managers in an organic structure.

Answer: C

Explanation: In a mechanistic structure, supervisors make all important decisions; employees are closely supervised and follow well-defined rules and standard operating procedures.

Difficulty: 3 Hard

Topic: Mechanistic organization

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.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

80) Millibytes Inc. implements an organic structure, which means that at Millibytes,

A) employees are discouraged from taking up more responsibilities.

B) forming of cross-departmental or functional teams is discouraged.

C) employees are closely supervised and follow well-defined rules.

D) emphasis is placed on strict discipline and order.

E) authority is decentralized to middle and first-line managers.

Answer: E

Explanation: 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.

Difficulty: 2 Medium

Topic: Mechanistic and organic structures

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.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

81) Dayfair Mobile's external environment is changing rapidly, and it responds by decentralizing decisions to allow lower-level managers to react faster. Which type of organizational structure allows this?

A) mechanistic

B) formal

C) bureaucratic

D) organizational

E) organic

Answer: E

Explanation: 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.

Difficulty: 3 Hard

Topic: Mechanistic and organic structures

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.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

82) Paolo is a manager for a small business. He wants his five subordinates to have positive working relationships and he wants to create a welcoming office environment. To encourage socializing and to motivate his staff to meet organizational goals, Paolo invites his subordinates to lunch once a week. Within a few weeks, Peter sees an increase in performance and improved collaboration among the staff members. This demonstrates the use of

A) administrative management.

B) scientific management.

C) behavioral management.

D) standard operating procedures (SOPs).

E) organizational behavior.

Answer: C

Explanation: Behavioral management is the study of how managers should behave in order to motivate employees and encourage them to perform at high levels and be committed to the achievement of organizational goals.

Difficulty: 2 Medium

Topic: Behavioral management

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.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

83) Synergy is defined as

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

B) a system that is self-contained and thus not affected by changes occurring in its external environment.

C) the performance gains that result when individuals and departments work together.

D) the set of forces and conditions that operate beyond an organization's boundaries.

E) an approach to management that uses rigorous quantitative techniques.

Answer: C

Explanation: Synergy is the performance gains that result from the combined actions of individuals and departments.

Difficulty: 1 Easy

Topic: Mechanistic and organic structures

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

84) Max Weber developed the

A) principles of scientific management.

B) principles of bureaucracy.

C) Theory X and Theory Y assumptions.

D) principles of management.

E) contingency theory.

Answer: B

Explanation: Max Weber developed the principles of bureaucracy during Germany's burgeoning industrial revolution to help organizations increase their efficiency and effectiveness.

Difficulty: 1 Easy

Topic: Bureaucratic control

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

85) Mel knows that the hair-styling business is highly competitive and new trends are constantly emerging, so she regularly provides training for her stylists, so they not only keep up with the latest hairstyles and techniques but are also able to provide new services to their customers. This, according to Teece, demonstrates the business's

A) dynamic capabilities.

B) user credibility.

C) organizational synergy.

D) organic structure.

E) external focus.

Answer: A

Explanation: Dynamic capabilities are the theory that organizations have the ability to build, integrate, and reconfigure processes to address rapidly changing internal and external environments.

Difficulty: 2 Medium

Topic: Competitive advantage

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.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

86) Teece uses the term \_\_\_\_\_\_\_\_ to describe a company's ability to identify and assess opportunities outside the company.

A) sensing

B) seizing

C) transforming

D) evaluating

E) appraisal

Answer: A

Explanation: Sensing refers to identifying and assessing opportunities outside the company.

Difficulty: 1 Easy

Topic: Competitive advantage

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.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

87) When Apple created the iPod, it shifted its focus from computers to consumer electronics, demonstrating Teece's concept of

A) expanding.

B) transforming.

C) seizing.

D) sensing.

E) converting.

Answer: B

Explanation: Transforming is an organization's ability to continue making changes as needed to maintain success.

Difficulty: 2 Medium

Topic: Competitive advantage

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.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

88) Which of Teece's managerial activities would a company embrace if it wanted to use company resources to capture value for the organization from previously determined opportunities?

A) sensing

B) seizing

C) transforming

D) positioning

E) controlling

Answer: B

Explanation: Seizing describes the action of mobilizing company resources to capture value for the organization from these opportunities.

Difficulty: 2 Medium

Topic: Competitive advantage

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.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

89) Steve Jobs recognized that consumers wanted a smaller mp3 player than they could buy at the time, so Apple developed the iPod. This demonstrates Teece's

A) Theory X.

B) Theory Y.

C) theory of dynamic capabilities.

D) management science theory.

E) contingency theory.

Answer: C

Explanation: The theory of dynamic capabilities is when organizations have the ability to build, integrate, and reconfigure processes to address rapidly changing internal and external environments.

Difficulty: 1 Easy

Topic: Competitive advantage

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.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

90) Name three of the ways organizations changed after the industrial revolution. Which do you think has continued to affect business in the 21st century?

Answer:

1. Managers tried to find better ways to satisfy customers' needs.

2. New, more sophisticated machinery and equipment changed the way

goods were produced.

3. Small workshops were replaced by big factories.

4. Workers were replaced by machines.

5. Organizations were unprepared for the social problems that occur when

people work in large groups.

6. Managers needed to find ways to increase efficiency of the worker-task mix.

An argument could be made for each of these, but students should focus on how one of the six changes still affects today's companies in a significant way.

Difficulty: 2 Medium

Topic: Scientific management

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

91) What is meant by scientific management? What are the four principles of scientific management described by Frederick W. Taylor?

Answer: 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 job knowledge the workers have, and experiment with ways of improving how tasks are performed. (2) Codify the new methods into written rules and standard operating procedures. (3) Carefully select workers who possess the skills and abilities that match the needs of the tasks, and train them to perform according to established rules and standard operating procedures. (4) Establish a fair level of performance for a task, and then develop a pay system to reward those who perform above that level.

Difficulty: 2 Medium

Topic: Scientific management

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.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

92) How would you support the opinion that scientific management can cause dissatisfaction in workers?

Answer: If managers don't implement all the principles in scientific management, workers become dissatisfied. Workers can resist attempts to use the new scientific management techniques and at times even withhold their job knowledge from managers to protect their jobs and pay. It is not difficult for workers to conceal the true potential efficiency of a work system to protect their interests.

Difficulty: 2 Medium

Topic: Scientific management

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.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

93) List and discuss Weber's five principles of bureaucracy. Do you agree with all of them? Why or why not? Give your answer in the context of a specific company.

Answer: Administrative management is the study of how to create an organizational structure and control system that leads to high efficiency and effectiveness. Max Weber developed the principles of bureaucracy. They are as follows: (1) In a bureaucracy, a manager's formal authority derives from his/her position in the organization. (2) In a bureaucracy, people should occupy positions because of their performance, not because of their social standing or personal contacts. (3) The extent of authority and responsibility of a position and its relationship to other positions in an organization should be clearly specified. (4) Authority can be exercised effectively in an organization when positions are arranged hierarchically, so employees know whom to report to and who reports to them. (5) Managers must create a well-defined system of rules, standard operating procedures, and norms to control behavior effectively.

Difficulty: 2 Medium

Topic: Bureaucratic control

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

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

94) Your friend has just been promoted to CEO of her company and is considering moving to more centralization of authority. What drawbacks to this approach would you point out to your friend?

Answer: Centralization is the concentration of authority at the top of the managerial hierarchy. If authority is very centralized, only managers at the top make important decisions, and subordinates simply follow orders. This arrangement gives top managers great control over organizational activities and helps ensure that the organization is pursuing its strategy, but it makes it difficult for the people who are closest to problems and issues to respond to them in a timely manner. It also can reduce the motivation of middle and first-line managers and make them less flexible and adaptable because they become reluctant to make decisions on their own, even when doing so is necessary.

Difficulty: 2 Medium

Topic: Centralized authority

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

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

95) Differentiate between an open and a closed system.

Answer: 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, where they are bought by customers. 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.

Difficulty: 2 Medium

Topic: Open system

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.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

96) Explain how the different types of organizational structures in Burns and Stalker's contingency theory rest on Theory X or Theory Y assumptions.

Answer: The types of structures that Burns and Stalker proposed are mechanistic structure and organic structure. In a mechanistic structure, authority is centralized at the top of the managerial hierarchy, and the vertical hierarchy of authority is the main means used to control subordinates' behavior. Tasks and roles are clearly specified, subordinates are closely supervised, and the emphasis is on strict discipline and order. Everyone knows his or her place, and there is a place for everyone. A mechanistic structure provides the most efficient way to operate in a stable environment because it allows managers to obtain inputs at the lowest cost, giving an organization the most control over its conversion processes and enabling the most efficient production of goods and services with the smallest expenditure of resources. A typical mechanistic structure typically rests on Theory X assumptions. 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. A typical organic structure typically rests on Theory Y assumptions.

Difficulty: 2 Medium

Topic: Theory X and Theory Y

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.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

97) The National Labor Relations Board (NLRB) suggests that McDonald's should be considered a "joint-employer" of the workers employed by company franchises. Why do you think NLRB filed this complaint? Explain the impact on McDonald's (and its competitors in the fast-food industry) if there is a ruling. How do you think it will affect the franchisees?

Answer: Most likely the complaint was filed because of violations of labor laws. McDonald's, like other global companies, has faced increased scrutiny about the way its employees are treated. Fast-food work is not well paid, and it sometimes places employees in uncomfortable and stressful situations. Eighty percent of McDonald's restaurants are owned by independent businesses or franchises. A ruling against McDonald's could increase pressure on the company to boost wages and accept more responsibility for working conditions at franchise stores.

Difficulty: 2 Medium

Topic: Management

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.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

98) During the evolution of modern management, when crafts production was being replaced by large factories, why did owners and managers struggle with challenges and need to focus more on management?

Answer: Owners and managers of the new factories found themselves unprepared for the challenges accompanying the change from small-scale crafts production to large-scale mechanized manufacturing. Moreover, many managers and supervisors in these workshops and factories were engineers who had only a technical orientation. They were unprepared for the social problems that occur when people work together in large groups in a factory or shop system.

Difficulty: 2 Medium

Topic: Scientific management

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

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

99) Based on Taylor's four principles for scientific management, what data should managers gather and put to use about behavior and performance at work so they can increase efficiency in the workplace?

Answer: Taylor recommends in Principle 1 that managers study the way workers perform their tasks. Managers can use time-and-motion study, which involves careful timing and recording of the actions taken to perform a particular task. Managers should also gather all the informal job knowledge that workers possess, and they should record data when they experiment with ways of improving how tasks are performed. In Principle 2, Taylor recommends documenting the new methods of performing tasks into written rules and standard operating procedures. Managers will need to gather data to create the SOPs. In Principle 3, Taylor recommends carefully selecting workers who possess skills and abilities that match the needs of the task and training them to perform the task according to the established rules and procedures. Managers should keep notes about workers' skills and abilities. In Principle 4, Taylor recommends that managers establish a fair or acceptable level of performance for a task, so managers need to gather data to measure levels of performance.

Difficulty: 2 Medium

Topic: Scientific management

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.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

100) Your friend is looking for a new job. She has strong technical skills, and there are many companies with open positions, so she has asked for your advice in choosing a company. Your friend would prefer a boss who will trust her judgment and allow her to use her creativity. Then once she proves her talents, she would want more control over her job. What advice would you give your friend in choosing a company for her job application?

Answer: A company that operates with the Theory Y approach to management would be a good recommendation. When companies operate with the Theory Y approach, it is a manager's task to create a work setting that encourages commitment to organizational goals and provides opportunities for workers to be imaginative and to exercise initiative and self-direction.

Difficulty: 2 Medium

Topic: Theory X and Theory Y

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

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation