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Solution Manual

Test Bank

Chapter 02

The Evolution of Management Thought

True / False Questions

1. The theory of scientific management was introduced in the late twentieth

century. True False

2. In his studies, Adam Smith found that the performance of the factories in which workers

specialized in only one or a few tasks was much greater than the performance of the factory in

which each worker performed all the tasks.

True False

3. Increasing the level of job specialization reduces efficiency and leads to lower

organizational performance.

True False

4. According to Frederick W. Taylor, if the amount of time and effort that each worker expends to produce a unit of output is reduced by increasing specialization, the production process will become more efficient.

True   False

5. F.W. Taylor advocated the use of a standard pay system that was independent of worker performance.

    True False

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

    True False

7. Scientific management produces huge cost savings in large organized work

    settings. True False

8. Scientific management practices allowed workers to define their own

    rights. True False

9. As a result of the application of scientific management principles, workers became increasingly dissatisfied.

    True False

10. The use of scientific management practices led workers to hide the true potential efficiency of the work setting to protect their own well-being.

    True False

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

True False

12. In a bureaucracy, a manager's formal authority derives from the knowledge he possesses rather than the position he holds in the organization.

   True False

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

   True False

14. According to Weber, in a bureaucracy, people should occupy positions because of their social standing and personal contacts.

   True False

15. In a bureaucratic system of administration, obedience owed to a manager depends on his or her personal qualities such as personality and social status.

   True False

16. Authority is more likely to be exercised effectively in an organization when positions are not arranged hierarchically.

   True False

17. In a bureaucracy, tasks and roles are left ambiguous to encourage employees to respond quickly to the unexpected.

   True False

18. Rules are formal written instructions that specify what workers should do on the

   job. True False

19. Standard operating procedures are unwritten, informal codes of conduct that prescribe how people should act in particular situations.

   True False

20. Norms are written instructions about how to perform a certain aspect of a

   task. True False

21. When managers rely too much on rules to solve problems, their behavior becomes

   inflexible. True False

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

   True False

23. Assessing any manager's authority and responsibility in a system of dual command is easier than it is in a system where unity of command exists.

   True False

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

True False

25. According to Fayol, the fewer the levels in the managerial hierarchy of an organization, the faster the pace of planning and organizing.

   True False

26. Fayol believed that authority should be concentrated at the top of the chain of command of an organization.

   True False

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

   True False

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

   True False

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

   True False

30. Henri Fayol's approach to administration more closely reflects the assumptions of McGregor's Theory X as compared to Theory

   Y. True False

31. The Hawthorne effect suggests that workers' attitudes toward their managers affect the level of workers' performance.

    True False

32. According to the Hawthorne effect, each manager's personal behavior or leadership approach has no effect on performance.

    True False

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

    True False

34. Theory Y assumes that workers are not inherently lazy, do not naturally dislike work, and, if given an opportunity, will do what is good for the organization.

    True False

35. Management science theory focuses on the use of rigorous quantitative

    techniques. True False

36. Management science theory focuses on the use of rigorous quantitative techniques to help managers.

    True False

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

True False

38. The contingency theory suggests that there is always one best way to

organize. True False

39. Typically, managers in a mechanistic structure react more quickly to a changing environment than do managers in an organic structure.

True False

Multiple Choice Questions

40. _____ refers to a system where small workshops run by skilled workers produce hand-manufactured products.

A. Mass production
B. Flow production
C. Crafts production
D. Series production
E. Mechanized production

41. Job specialization refers to:

A. the process by which each position's formal authority in an organizational hierarchy

is established.

B. the process by which division of labor occurs as different workers gain expertise in tasks.

C. the process by which subordinates receive orders and report to only one superior.

D. the process by which members of different departments work together in cross-departmental

teams to accomplish projects.

E. the process by which employees explore new ways to improve how tasks are performed.

42. _____ is the process by which division of labor occurs as different workers gain expertise in

tasks over time.

A. Job specialization

B. Systems management

C. Esprit de corps

D. Job rotation

E. Centralization

43. 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.

44. Which of the following statements is consistent with the principles of scientific management?

    A. Stick to the current method of performing tasks and focus only on increasing the speed.

    B. New methods of performing tasks ought to be communicated verbally rather than in writing.

    C. Allow workers to establish their own rules and SOPs.

    D. Establish a standard pay system that is independent of performance.

    E. Increase job specialization in order to make the production process more efficient.

45. Which of the following is true of scientific management?

    A. It resulted in jobs that were usually non-repetitive.

    B. It brought all workers more gain than hardship.

    C. It revealed the maximum efficiency of work systems.

    D. It resulted in job dissatisfaction for many workers.

    E. It resulted in increased trust between managers and workers.

46. An advantage of achieving the right worker–task specialization and linking people and tasks by the speed of the production line is:

    A. lower costs.

    B. lower job satisfaction.

    C. decreased workplace monotony.

    D. decreased organizational output.

    E. decreased mechanization of work process.

47. Administrative management is the study of:

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

    B. how an organizational structure is to be created such that it leads to high efficiency and effectiveness.

    C. how the feelings, thoughts, and behavior of work group members and managers affect worker performance.

    D. how characteristics of the work setting—specifically the level of lighting—affect worker performance.

    E. how managers should personally behave to motivate employees and encourage them to perform at high levels.

48. _____refers to a system of task and authority relationships that controls how employees use resources to achieve a company's goals.

    A. Corporate variance

    B. Work sharing

    C. Management scalability

    D. Organizational structure

    E. Job rotation

49. _____ refers to a formal system of organization and administration designed to ensure efficiency and effectiveness.

A. Esprit de corps

B. Bureaucracy

C. Adhocracy

D. Synergy

E. Entropy

50. In a bureaucracy, a manager's formal authority derives from:

A. his or her 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 he or she holds in the organization.

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

A. initiative.

B. synergy.

C. authority.

D. esprit de corps.

E. entropy.

52. _____ gives managers the right to direct and control their subordinates' behavior to accomplish organizational goals.

    A. Entropy

    B. Synergy

    C. Esprit de corps

    D. Authority

    E. Equity

53. 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 either of them or of each other.

    B. employees are 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 is undermined.

54. Henry Fayol believed that in order to increase the efficiency of the management process it is essential that:

    A. authority should be concentrated at the top of the chain of command.

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

    C. there should be greater number of levels in a managerial hierarchy.

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

    E. all organizational members are entitled to be treated with justice and respect.

55. 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.

56. Which of the following is an example of a company's standard operating procedure?

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 D drive

E. A recommendation by the HR department that employees wear formal clothes during the week

57. Which of the following is an example of a norm rather than a rule?

A. A general mandatory guideline asking 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 recommendation by the HR 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

58. Which of the following is an example of a rule?

A. A general mandatory guideline asking all employees to leave their work machines in good 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 HR department that employees wear formal clothes during the week

E. A suggestion by the technical department to save all work-related files on D drive

59. Which of the following is true of rules?

A. They are mandatory instructions.

B. They are unwritten expectations of behavior.

C. They are informal codes of conduct.

D. They focus more on creating goals rather than achieving them.

E. They are suggestions about best practices.

60. Which of the following is true of norms?

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

B. They are written instructions about desired behavior in the workplace.

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

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

E. They specify actions to be taken under different circumstances to achieve specific
company goals.

61. Which of the following principles of management by Henri Fayol specifies that an employee should report to only one superior?

    A. Line of authority

    B. Unity of command

    C. Centralization

    D. Esprit de corps

    E. Decentralization

62. _____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. Esprit de corps

63. An engineer receives orders from and reports to both his department manager as well as project manager. This violates Fayol's principle of:

    A. centralization.

    B. unity of command.

    C. unity of direction.

    D. division of labor.

    E. esprit de corps.

64. Which of the following is true of dual command?

   A. It causes confusion among subordinates.

   B. It strengthens order and discipline.

   C. It makes assessing a manager's authority easy.

   D. It was advocated by Henry Fayol.

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

65. The line of authority in an organization is:

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

   B. the singleness of purpose that makes possible the creation of one plan of action.

   C. the chain of command extending from the top to the bottom of an organization.

   D. the shared feelings of comradeship, enthusiasm, and devotion to a common cause.

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

66. _____ 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

67. Which of the following is true of centralization in an organization?

    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.

68. An organization that has a single, comprehensive long-term plan that leads every department within the organization is following Fayol's principle of:

    A. order.

    B. line of authority.

    C. unity of command.

    D. unity of direction.

    E. decentralization.

69. The Marketing Manager at RST Global Inc. developed a five-year marketing plan that was in stark contrast with the objectives outlined in the organization's strategic plan. Which of the principles of Henri Fayol does this go against?

    A. Order

    B. Line of authority

    C. Unity of command

    D. Unity of direction

    E. Span of control

70. 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. initiative analysis

C. unity of direction

D. critical path method (CPM)

E. PERT chart

71. Obedience to a manager's authority is most consistent with Fayol's principle of:

A. order.

B. discipline.

C. esprit de corps.

D. equity.

E. decentralization

72. Fayol's principle of initiative suggests that:

A. employees ought to be closely monitored.

B. managers should encourage employees to be innovative and creative.

C. managers should ensure that the tasks and roles of each employee are clearly specified.

D. authority should be concentrated at the top of the hierarchy.

E. mangers should use rewards and punishments to control the behavior of employees.

73. According to Henri Fayol, discipline 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. Stability of tenure of personnel

74. If an organization has a profit-sharing plan in which employees are able to purchase the company's stock at a discount whenever the organization makes huge profits, then this organization follows Fayol's principle of:

    A. centralization.

    B. discipline.

    C. initiative.

    D. esprit de corps.

    E. remuneration of personnel.

75. 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. unity of command.

    B. unity of direction.

    C. initiative.

    D. discipline.

E. stability of tenure.

76. The idea that workers should be aware of how their performance affects the performance of the organization as a whole is most consistent with 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.

77. 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.

78. 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.

79. Mary Parker Follett's primary criticism of Taylor's system of scientific management was that:

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

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

   C. scientific management did not allow workers to exercise initiative and contribute to the organization.

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

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

80. 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, rather than 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.

81. The human relations movement advocates that:

    A. mangers 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.

82. Which of the following revelations from different research studies came to be known as the Hawthorne effect?

    A. Group members subjecting those workers who violate the group norms to sanctions

    B. Productivity increasing, regardless of the level of illumination in the workplace

    C. Workers concealing the true potential efficiency of a work system to protect their interests

    D. Workers' productivity being affected more by the attention received from researchers than by the work setting

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

83. _____ 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

84. Which of the following practices was advocated by Mary Parker Follett?

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

   B. Authority should go 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.

85. Managers who accept the assumptions of Theory Y:

   A. create a work setting that encourages commitment.

   B. give little autonomy to workers.

   C. focus on developing rules and procedures.

   D. rely on rewards and punishments.

   E. view workers as lazy.

86. Managers who accept the assumptions of Theory X:

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

   B. closely monitor workers to make sure that production is not affected.

   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.

87. EZtronics' approach to management is consistent with Theory Y because:

A. managers at EZtronics control workers' behavior by means of rewards and punishments.

B. managers at EZtronics closely supervise their subordinates.

C. managers at EZtronics do not believe in giving workers any autonomy in solving problems.

D. managers at EZtronics have created a work setting that allows workers to exercise initiative.

E. managers at EZtronics have created a work setting that reflects a belief that workers are lazy.

88. In the context of human relations movement and related studies, who among the following is a "ratebuster?"

A. A person performing above the work group performance norm

B. A person performing below the work group performance norm

C. A person performing at the pace the manager requests

D. A person performing below the company performance standard

E. A person performing at a pace he feels matches his pay

89. The management theory that focuses on the use of rigorous quantitative techniques 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.

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

    A. behavioral management.

    B. contingency management.

    C. quantitative management.

    D. administrative management.

    E. human relations management.

91. A company that wishes to increase the quality of its products should opt for_____, a branch of management science that provides tools to analyze the company's input, conversion, and output activities.

    A. Quantitative management

    B. Operations management

    C. Total quality management

    D. Management information systems

    E. Numerical management

92. Which of the following is true of an open system?

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.

93. _____ refers to the tendency of a closed system to lose its ability to control itself, and thus disintegrate.

A. Synergy

B. Entropy

C. Esprit de corps

D. Order

E. Equity

94. _____ is the performance gain caused by two or more departments coordinating their efforts.

A. Synergy

B. Entropy

C. Esprit de corps

D. Order

E. Equity

95. _____ 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

96. 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

97. If a manager designs the organizational hierarchy based on the characteristics of the organizational environment, he is acting in accordance with_____.

A. Equity theory

B. Fayol's theory

C. Contingency theory

D. Queuing theory

E. Chaos theory

98. Which of the following is true of an organization 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. Here, managers can react more quickly to a changing environment than can managers in an organic structure.

99. Which of the following statements indicates that Megabytes Inc. has implemented an organic structure?

   A. At Megabytes, employees are discouraged from taking up more responsibilities.

   B. At Megabytes, forming of cross-departmental or functional teams is discouraged.

   C. At Megabytes, employees are closely supervised and follow well-defined rules.

   D. At Megabytes, emphasis is placed on strict discipline and order.

   E. At Megabytes, authority is decentralized to middle and first-line managers.

100. Mayfair Mobile's external environment is changing rapidly and it responds by decentralizing decisions to lower-level managers so that the organization can react faster. Which of the following types of organizational structure allows this?

    A. A mechanistic structure

    B. A formal structure

    C. A bureaucratic structure

    D. An oligarchic structure

    E. An organic structure

Essay Questions

101. Describe how the need to increase organizational efficiency guided the evolution of management theory.

102. What is meant by scientific management? What are the four principles of scientific

management described by Frederick W. Taylor?

103. Explain how scientific management caused dissatisfaction in workers.

104. Define administrative management and briefly discuss the principles developed by Max Weber.

105. Discuss Fayol's principles of management.

106. What are the disadvantages of centralization of authority?

107. Define management science theory. What are the different branches of management science?

108. Differentiate between an open and a closed system.

109. Briefly describe the different types of organizational structures that Burns and Stalker proposed.

110. Briefly describe the different stages of an open system.

Chapter 02 The Evolution of Management Thought Answer Key

True / False Questions

1.   The theory of scientific management was introduced in the late twentieth century.

<u>FALSE</u>

The theory of scientific management was introduced in the late twentieth century.

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AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-01 Describe how the need to increase organizational efficiency and effectiveness has guided the

evolution of management theory.

Topic: Scientific Management Theory

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2. In his studies, Adam Smith found that the performance of the factories in which workers specialized in only one or a few tasks was much greater than the performance of the factory in which each worker performed all the tasks.

TRUE

Adam Smith found that the performance of the factories in which workers specialized in only one or a few tasks was much greater than the performance of the factory in which each worker performed all the tasks. He reasoned that this performance difference occurred because the workers who specialized became much more skilled at their specific tasks and as a group were thus able to produce a product faster than the group of workers who each performed many tasks.

3. Increasing the level of job specialization reduces efficiency and leads to lower organizational performance.

FALSE

Increasing the level of job specialization—the process by which a division of labor occurs as different workers specialize in tasks—improves efficiency and leads to higher organizational performance.

4. According to Frederick W. Taylor, if the amount of time and effort that each worker expends to produce a unit of output is reduced by increasing specialization, the production process will become more efficient.

   TRUE

   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.

5. F.W. Taylor advocated the use of a standard pay system that was independent of worker performance.

   FALSE

   Establish a fair or acceptable level of performance for a task, and then develop a pay system that rewards performance above the acceptable level.

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

      TRUE

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

7.   Scientific management produces huge cost savings in large organized work settings.

      TRUE

      Combining the two management practices of achieving the right worker–task specialization and
      linking people and tasks by the speed of the production line produces huge cost savings in large
      organized work settings.

8.   Scientific management practices allowed workers to define their own rights.

        <u>FALSE</u>

        Scientific management practices raised many concerns, including the ethical issue of the

        definition of workers' rights, not by the workers themselves but by the owners or managers.

9.   As a result of the application of scientific management principles, workers became

        increasingly dissatisfied.

        <u>TRUE</u>

        As a result of the application of scientific management principles workers became

        increasingly dissatisfied.

10. The use of scientific management practices led workers to hide the true potential efficiency of the work setting to protect their own well-being.

TRUE

The management of work settings frequently became a game between workers and managers: Managers tried to initiate work practices to increase performance, and workers tried to hide the true potential efficiency of the work setting to protect their own well-being.

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

TRUE

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

12. In a bureaucracy, a manager's formal authority derives from the knowledge he possesses rather than the position he holds in the organization.

FALSE

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

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

TRUE

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

14. According to Weber, in a bureaucracy, people should occupy positions because of their social standing and personal contacts.

FALSE

Weber's principles of bureaucracy stated that in a bureaucracy, people should occupy positions because of their performance, not because of their social standing or personal contacts.

15. In a bureaucratic system of administration, obedience owed to a manager depends on his or her personal qualities such as personality and social status.

FALSE

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

16.   Authority is more likely to be exercised effectively in an organization when positions are not arranged hierarchically.

FALSE

Authority can be exercised effectively in an organization when positions are arranged hierarchically.

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

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

Topic: Administrative Management Theory

17.   In a bureaucracy, tasks and roles are left ambiguous to encourage employees to respond quickly to the unexpected.

FALSE

A bureaucracy should have a clearly specified system of task and role relationships.

AACSB: Analytic

Blooms: Understand

Difficulty: 1 Easy

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

Topic: Administrative Management Theory

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

TRUE

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

different circumstances to achieve specific goals.

19. Standard operating procedures are unwritten, informal codes of conduct that prescribe

how people should act in particular situations.

FALSE

Standard operating procedures (SOPs)are specific sets of written instructions about how

to perform a certain aspect of a task.

20.   Norms are written instructions about how to perform a certain aspect of a task.

FALSE

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

in particular situations.

21.   When managers rely too much on rules to solve problems, their behavior becomes inflexible.

TRUE

When managers rely too much on rules to solve problems and not enough on their own

skills and judgment, their behavior becomes inflexible.

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

FALSE

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

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization
Topic: Administrative Management Theory

23. Assessing any manager's authority and responsibility in a system of dual command is easier than it is in a system where unity of command exists.

FALSE

Assessing any manager's authority and responsibility in a system of dual command is difficult.

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization
Topic: Administrative Management Theory

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

<u>TRUE</u>

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

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

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

Topic: Administrative Management Theory

25. According to Fayol, the fewer the levels in the managerial hierarchy of an organization, the faster the pace of planning and organizing.

<u>TRUE</u>

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.

AACSB: Analytic

Blooms: Understand

Difficulty: 2 Medium

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

Topic: Administrative Management Theory

26.	Fayol believed that authority should be concentrated at the top of the chain of command of an organization.

FALSE

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

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

TRUE

If authority is very centralized, only managers at the top make important decisions and subordinates simply follow orders.

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

TRUE

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 promot ed into in the future.

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

TRUE

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

30. Henri Fayol's approach to administration more closely reflects the assumptions of McGregor's Theory X as compared to Theory Y.

FALSE

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

AACSB: Analytic
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization
Topic: Administrative Management Theory

31. The Hawthorne effect suggests that workers' attitudes toward their managers affect the level of workers' performance.

TRUE

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

AACSB: Analytic
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-04 Trace the changes in theories about how managers should behave to motivate and control employees.
Topic: Behavioral Management Theory

32.	According to the Hawthorne effect, each manager's personal behavior or leadership approach has no effect on performance.

FALSE

According to the Hawthorne effect, each manager's personal behavior or leadership approach can affect performance.

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

TRUE

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

34. Theory Y assumes that workers are not inherently lazy, do not naturally dislike work, and, if given an opportunity, will do what is good for the organization.

   <u>TRUE</u>

   Theory Y assumes employees are not inherently lazy, do not naturally dislike work, and, if given the opportunity, will do what is good for the organization.

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

   <u>TRUE</u>

   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.

36. Management science theory focuses on the use of rigorous quantitative techniques to help managers.

   <u>TRUE</u>

   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.

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

   <u>FALSE</u>

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

38.	The contingency theory suggests that there is always one best way to organize.

FALSE

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

39.	Typically, managers in a mechanistic structure react more quickly to a changing environment than do managers in an organic structure.

FALSE

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

Multiple Choice Questions

40.   _____ refers to a system where small workshops run by skilled workers produce hand-manufactured products.

A. Mass production

B. Flow production

C. Crafts production

D. Series production

E. Mechanized production

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

41.   Job specialization refers to:

A. the process by which each position's formal authority in an organizational hierarchy is established.

B. the process by which division of labor occurs as different workers gain expertise in tasks.

C. the process by which subordinates receive orders and report to only one superior.

D. the process by which members of different departments work together in cross-departmental teams to accomplish projects.

E. the process by which employees explore new ways to improve how tasks are performed.

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

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

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

Topic: Scientific Management Theory

42.	_____is the process by which division of labor occurs as different workers gain expertise in tasks over time.

A. Job specialization

B. Systems management

C. Esprit de corps

D. Job rotation

E. Centralization

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

43.	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.

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.

44.   Which of the following statements is consistent with the principles of scientific management?

    A. Stick to the current method of performing tasks and focus only on increasing the speed.

    B. New methods of performing tasks ought to be communicated verbally rather than in writing.

    C. Allow workers to establish their own rules and SOPs.

    D. Establish a standard pay system that is independent of performance.

    E. Increase job specialization in order to make the production process more efficient.

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.

45.   Which of the following is true of scientific management?

    A. It resulted in jobs that were usually non-repetitive.

    B. It brought all workers more gain than hardship.

    C. It revealed the maximum efficiency of work systems.

    D. It resulted in job dissatisfaction for many workers.

    E. It resulted in increased trust between managers and workers.

The specialized, simplified jobs, created as a result of the scientific management theory, were often monotonous and repetitive, and many workers became dissatisfied with their jobs.

46. An advantage of achieving the right worker–task specialization and linking people and tasks by the speed of the production line is:

A. lower costs.

B. lower job satisfaction.

C. decreased workplace monotony.

D. decreased organizational output.

E. decreased mechanization of work process.

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.

47. Administrative management is the study of:

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

B. how an organizational structure is to be created such that it leads to high efficiency and effectiveness.

C. how the feelings, thoughts, and behavior of work group members and managers affect worker performance.

D. how characteristics of the work setting—specifically the level of lighting—affect worker performance.

E. how managers should personally behave to motivate employees and encourage them to perform at high levels.

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

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

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

Topic: Administrative Management Theory

48. _____ refers to a system of task and authority relationships that controls how employees use resources to achieve a company's goals.

A. Corporate variance

B. Work sharing

C. Management scalability

D. Organizational structure

E. Job rotation

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

49. _____ refers to a formal system of organization and administration designed to ensure efficiency and effectiveness.

A. Esprit de corps

B. Bureaucracy

C. Adhocracy

D. Synergy

E. Entropy

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

50.   In a bureaucracy, a manager's formal authority derives from:

A. his or her 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 he or she holds in the organization.

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

the organization.

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

A. initiative.

B. synergy.

C. authority.

D. esprit de corps.

E. entropy.

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

52. _____gives managers the right to direct and control their subordinates' behavior to accomplish organizational goals.

A. Entropy

B. Synergy

C. Esprit de corps

D. Authority

E. Equity

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

53.   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 either of them or of each other.

B.   employees are 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 is undermined.

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.

54. Henry Fayol believed that in order to increase the efficiency of the management process it is essential that:

A. authority should be concentrated at the top of the chain of command.

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

C. there should be greater number of levels in a managerial hierarchy.

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

E. all organizational members are entitled to be treated with justice and respect.

Henry Fayol believed that all organizational members ought to be treated with justice and respect.

55. 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.

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

different circumstances to achieve specific goals.

56. Which of the following is an example of a company's standard operating procedure?

   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 D drive

   E. A recommendation by the HR department that employees wear formal clothes during

      the week

Standard operating procedures (SOPs)are specific sets of written instructions about how

to perform a certain aspect of a task.

57.   Which of the following is an example of a norm rather than a rule?

A. A general mandatory guideline asking 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 recommendation by the HR 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

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.

58. Which of the following is an example of a rule?

   A. A general mandatory guideline asking all employees to leave their work machines in good 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 HR department that employees wear formal clothes during the week

   E. A suggestion by the technical department to save all work-related files on D drive

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

59. Which of the following is true of rules?

   A. They are mandatory instructions.

   B. They are unwritten expectations of behavior.

   C. They are informal codes of conduct.

   D. They focus more on creating goals rather than achieving them.

   E. They are suggestions about best practices.

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

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

Topic: Administrative Management Theory

60.   Which of the following is true of norms?

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

   B. They are written instructions about desired behavior in the workplace.

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

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

   E. They specify actions to be taken under different circumstances to achieve specific

       company goals.

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

61. Which of the following principles of management by Henri Fayol specifies that an employee should report to only one superior?

   A. Line of authority

   B. Unity of command

   C. Centralization

   D. Esprit de corps

   E. Decentralization

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

62. _____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. Esprit de corps

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

63. An engineer receives orders from and reports to both his department manager as well as project manager. This violates Fayol's principle of:

   A. centralization.
   B. unity of command.
   C. unity of direction.
   D. division of labor.
   E. esprit de corps.

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

64.   Which of the following is true of dual command?

A. It causes confusion among subordinates.

B. It strengthens order and discipline.

C. It makes assessing a manager's authority easy.

D. It was advocated by Henry Fayol.

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

Dual command confuses subordinates, undermines order and discipline, and creates

havoc within the formal hierarchy of authority.

65.   The line of authority in an organization is:

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

B. the singleness of purpose that makes possible the creation of one plan of action.

C. the chain of command extending from the top to the bottom of an organization.

D. the shared feelings of comradeship, enthusiasm, and devotion to a common cause.

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

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

an organization.

2-77

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

Topic: Administrative Management Theory

66.   _____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

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

67. Which of the following is true of centralization in an organization?

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.

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.

68. An organization that has a single, comprehensive long-term plan that leads every department within the organization is following Fayol's principle of:

A. order.

B. line of authority.

C. unity of command.

D. unity of direction.

E. decentralization.

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.

69. The Marketing Manager at RST Global Inc. developed a five-year marketing plan that was in stark contrast with the objectives outlined in the organization's strategic plan. Which of the principles of Henri Fayol does this go against?

A. Order

B. Line of authority

C. Unity of command

D. Unity of direction

E. Span of control

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

70.   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. initiative analysis

   C. unity of direction

   D. critical path method (CPM)

   E. PERT chart

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

71.   Obedience to a manager's authority is most consistent with Fayol's principle of:

   A. order.

   B. discipline.

   C. esprit de corps.

   D. equity.

   E. decentralization

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

Blooms: Understand

Difficulty: 1 Easy

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

Topic: Administrative Management Theory

72.   Fayol's principle of initiative suggests that:

A. employees ought to be closely monitored.

B. managers should encourage employees to be innovative and creative.

C. managers should ensure that the tasks and roles of each employee are clearly specified.

D. authority should be concentrated at the top of the hierarchy.

E. mangers should use rewards and punishments to control the behavior of employees.

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

73. According to Henri Fayol, discipline 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. Stability of tenure of personnel

According to Fayol, discipline is obedience, energy, application, and other outward marks of respect for a superior's authority.

74. If an organization has a profit-sharing plan in which employees are able to purchase the company's stock at a discount whenever the organization makes huge profits, then this organization follows Fayol's principle of:

A. centralization.
B. discipline.
C. initiative.
D. esprit de corps.
E. remuneration of personnel.

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

75. 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. unity of command.
B. unity of direction.
C. initiative.
D. discipline.
E. stability of tenure.

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

76. The idea that workers should be aware of how their performance affects the performance of the organization as a whole is most consistent with 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.

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.

77. 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.

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.

78. 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.

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

79.   Mary Parker Follett's primary criticism of Taylor's system of scientific management was that:

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

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

C. scientific management did not allow workers to exercise initiative and contribute to the organization.

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

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

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.

80. 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, rather than 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.

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.

81.   The human relations movement advocates that:

A. mangers 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.

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

82. Which of the following revelations from different research studies came to be known as the Hawthorne effect?

    A. Group members subjecting those workers who violate the group norms to sanctions

    B. Productivity increasing, regardless of the level of illumination in the workplace

    C. Workers concealing the true potential efficiency of a work system to protect their interests

    D. Workers' productivity being affected more by the attention received from researchers than by the work setting

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

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.

83.	_____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

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

84.	Which of the following practices was advocated by Mary Parker Follett?

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

    B.	Authority should go 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.

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

Blooms: Understand

Difficulty: 2 Medium

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

Topic: Behavioral Management Theory

85.   Managers who accept the assumptions of Theory Y:

A. create a work setting that encourages commitment.

B. give little autonomy to workers.

C. focus on developing rules and procedures.

D. rely on rewards and punishments.

E. view workers as lazy.

According to Theory Y, 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.

AACSB: Analytic

Blooms: Understand

Difficulty: 2 Medium

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

Topic: Behavioral Management Theory

86.   Managers who accept the assumptions of Theory X:

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

    B. closely monitor workers to make sure that production is not affected.

    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.

Theory Y assumes that workers are not inherently lazy, do not naturally dislike work, and, if given the opportunity, will do what is good for the organization.

87.   EZtronics' approach to management is consistent with Theory Y because:

    A. managers at EZtronics control workers' behavior by means of rewards and punishments.

    B. managers at EZtronics closely supervise their subordinates.

    C. managers at EZtronics do not believe in giving workers any autonomy in solving problems.

    D. managers at EZtronics have created a work setting that allows workers to exercise initiative.

    E. managers at EZtronics have created a work setting that reflects a belief that workers are lazy.

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.

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

Topic: Behavioral Management Theory

88.   In the context of human relations movement and related studies, who among the following is a "ratebuster?"

      A. A person performing above the work group performance norm

      B. A person performing below the work group performance norm

      C. A person performing at the pace the manager requests

      D. A person performing below the company performance standard

      E. A person performing at a pace he feels matches his pay

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

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

A. contingency theory.

B. management science theory.

C. administrative management theory.

D. behavioral management theory.

E. human relations theory.

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

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

A. behavioral management.

B. contingency management.

C. quantitative management.

D. administrative management.

E. human relations management.

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

91. A company that wishes to increase the quality of its products should opt for _____, a branch of management science that provides tools to analyze the company's input, conversion, and output activities.

   A. Quantitative management

   B. Operations management

   C. Total quality management

   D. Management information systems

   E. Numerical management

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

92.   Which of the following is true of an open system?

    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.

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.

93.   _____refers to the tendency of a closed system to lose its ability to control itself, and thus disintegrate.

    A. Synergy

    B. Entropy

    C. Esprit de corps

    D. Order

    E. Equity

The tendency of a closed system to lose its ability to control itself and thus to dissolve and disintegrate is known as entropy.

94.   _____is the performance gain caused by two or more departments coordinating their efforts.

    A. Synergy

    B. Entropy

    C. Esprit de corps

    D. Order

    E. Equity

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

95.   _____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

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.

96. 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

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.

97.   If a manager designs the organizational hierarchy based on the characteristics of the organizational environment, he is acting in accordance with _____.

   A. Equity theory
   B. Fayol's theory
   C. Contingency theory
   D. Queuing theory
   E. Chaos theory

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

98. Which of the following is true of an organization 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. Here, managers can react more quickly to a changing environment than can managers in an organic structure.

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

99. Which of the following statements indicates that Megabytes Inc. has implemented an

organic structure?

A. At Megabytes, employees are discouraged from taking up more responsibilities.

B. At Megabytes, forming of cross-departmental or functional teams is discouraged.

C. At Megabytes, employees are closely supervised and follow well-defined rules.

D. At Megabytes, emphasis is placed on strict discipline and order.

E. At Megabytes, authority is decentralized to middle and first-line managers.

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.

100. Mayfair Mobile's external environment is changing rapidly and it responds by decentralizing decisions to lower-level managers so that the organization can react faster. Which of the following types of organizational structure allows this?

A. A mechanistic structure

B. A formal structure

C. A bureaucratic structure

D. An oligarchic structure

E. An organic structure

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

Essay Questions

101. Describe how the need to increase organizational efficiency guided the evolution of management theory.

The evolution of modern management began in the closing decades of the 19th century, after the industrial revolution had swept through Europe and America. In the new economic climate, managers of all types of organizations—political, educational, and economic—were trying to find better ways to satisfy customers' needs. Many major economic, technical, and cultural changes were taking place at this time. The introduction of steam power and the development of sophisticated machinery and equipment changed how goods were produced, particularly in the weaving and clothing industries. Small workshops run by skilled workers who produced hand-manufactured products (a system called crafts production) were being replaced by large factories in which sophisticated machines controlled by hundreds or even thousands of unskilled or semiskilled workers made products. 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. Managers began to search for new techniques to manage their organizations' resources, and soon they began to focus on ways to increase the efficiency of the worker–task mix.

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

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 to those who perform above that level.

103.   Explain how scientific management caused dissatisfaction in workers.

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

AACSB: Analytic
Blooms: Understand
Difficulty: 3 Hard
Learning Objective: 02-02 Explain the principle of job specialization and division of labor; and tell why the study of person-task relationships is central to the pursuit of increased efficiency.
Topic: Scientific Management Theory

104.   Define administrative management and briefly discuss the principles developed by Max Weber.

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.

AACSB: Analytic
Blooms: Remember
Difficulty: 2 Medium
Learning Objective: 02-03 Identify the principles of administration and organization that underlie effective organization
Topic: Administrative Management Theory

105. Discuss Fayol's principles of management.

Henri Fayol identified 14 principles that he believed essential to increase the efficiency of the management process. The principles are as follows: (1) Division of labor: Job specialization and the division of labor should increase efficiency, especially if managers take steps to lessen workers' boredom. (2) Authority and responsibility: Managers have the right to give orders and the power to exhort subordinates for obedience. (3) Unity of command: An employee should receive orders from only one superior. (4) Line of authority: The length of the chain of command that extends from the top to the bottom of an organization should be limited. (5) Centralization: Authority should not be concentrated at the top of the chain of command. (6) Unity of direction: The organization should have a single plan of action to guide managers and workers. (7) Equity: All organizational members are entitled to be treated with justice and respect. (8) Order: The arrangement of organizational positions should maximize organizational efficiency and provide employees with satisfying career opportunities. (9) Initiative: Managers should allow employees to be innovative and creative. (10) Discipline: Managers need to create a workforce that strives to achieve organizational goals. (11) Remuneration of personnel: The system that managers use to reward employees should be equitable for both employees and the organization. (12) Stability of tenure of personnel: Long-term employees develop skills that can improve organizational efficiency. (13) Subordination of individual interests to the common interest: Employees should understand how their performance affects the performance of the whole organization. (14) Esprit de corps: Managers should encourage the development of shared feelings of comradeship, enthusiasm, or devotion to a common cause.

AACSB: Analytic

Blooms: Understand

Difficulty: 2 Medium

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

2-112

106.   What are the disadvantages of centralization of authority?

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.

107. Define management science theory. What are the different branches of management science?

Management science theory is a contemporary approach to management that focuses on the use of rigorous quantitative techniques to help managers make maximum use of organizational resources to produce goods and services. The four branches of management science are as follows: (1) Quantitative management uses mathematical techniques—such as linear and nonlinear programming, modeling, simulation, queuing theory, and chaos theory—to help managers make decisions. (2) Operations management gives managers a set of techniques they can use to analyze production processes. (3) Total quality management (TQM) attempts to increase product quality. (4) Management information systems (MISs) give managers information about events occurring in and outside the organization, to use for decision making.

108. Differentiate between an open and a closed system.

An open system is a system that takes in resources from its external environment and converts or transforms them into goods and services that are sent back to that environment, 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.

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

Topic: Organizational Environment Theory

109.   Briefly describe the different types of organizational structures that Burns and Stalker proposed.

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. 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.

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

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

Topic: Organizational Environment Theory

110.   Briefly describe the different stages of an open system.

An open system is a system that takes in resources from its external environment and converts or transforms them into goods and services that are sent back to that environment, where they are bought by customers. At the input stage an organization acquires resources such as raw materials, money, and skilled workers to produce goods and services. Once the organization has gathered the necessary resources, conversion begins. At the conversion stage the organization's workforce, using appropriate tools, techniques, and machinery, transforms the inputs into outputs of finished goods and services such as cars, hamburgers, or flights to Hawaii. At the output stage the organization releases finished goods and services to its external environment, where customers purchase and use them to satisfy their needs. The money the organization obtains from the sales of its outputs allows the organization to acquire more resources so the cycle can begin again.

AACSB: Analytic

Blooms: Remember

Difficulty: 1 Easy

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

Topic: Organizational Environment Theory