

Chapter 2 Management Yesterday and Today

TRUE/FALSE QUESTIONS

HISTORICAL BACKGROUND OF MANAGEMENT

1. According to Adam Smith, division of labor was an important concept.
(True; easy; p. 28)
2. The division of labor is also referred to by the term *job specification*.
(False; easy; p. 28)
3. In the Industrial Revolution, machine power began substituting for human power.
(True; easy; p. 29)
4. The Industrial Revolution began in the nineteenth century.
(False; moderate; p. 29)

SCIENTIFIC MANAGEMENT

5. *Principles of Scientific Management* was written by Frederick Winslow Taylor.
(True; moderate; p. 30)
6. “Employee motivation” is the phrase most associated with scientific management.
(False; moderate; p. 30)
7. The primary issue that motivated Taylor to create a more scientific approach to management was worker satisfaction.
(False; moderate; p. 30-31)
8. Based on his scientific management principles, Taylor suggested the incentive pay principle.
(True; moderate; p. 31)
9. Geert Hofstede is associated with the scientific management approach.
(False; moderate; p. 31)
10. Frank Gilbreth’s best-known contribution to scientific management concerned selecting the best worker for a particular job.
(False; moderate; p. 31)
11. Gilbreth is best known for “the one best way.”
(False; moderate; p. 30)

12. Frederick Taylor is most associated with the principles of scientific management.
(True; easy; p. 30)
13. Henri Fayol was among the first researchers to use motion pictures to study hand-and-body motions.
(False; moderate; p. 31)

GENERAL ADMINISTRATIVE THEORY

14. General administrative theory focuses only on managers and administrators.
(False; moderate; p. 32)
15. Henri Fayol identified five functions of managers: planning, organizing, commanding, coordinating, and controlling.
(True; moderate; p. 32)
16. The 14 principles of management are associated with Fayol.
(True; moderate; p. 32)
17. An organization that has a division of labor, a clearly defined hierarchy, detailed rules, and impersonal relationships would be described as a bureaucracy.
(True; moderate; p. 32)
18. Weber's bureaucracy is a lot like scientific management.
(True; moderate; p. 33)

QUANTITATIVE APPROACH

19. The quantitative approach to management has also been labeled *process research*.
(False; moderate; p. 34)
20. Linear programming is a technique that managers use to improve resource allocation decisions.
(True; moderate; p. 35)

TOWARD UNDERSTANDING ORGANIZATIONAL BEHAVIOR

21. Concern for employee productivity is most closely associated with the organizational behavior approach.
(False; moderate; p. 36)
22. Barnard, Follett, Munsterberg, and Owen are all theorists associated with the early organizational behavior approach.
(True; moderate; p. 36)
23. Hugo Munsterberg created the field of social psychology.

(True; moderate; p. 36)

24. Mary Parker Follett was the first advocate of the human resources approach to management.

(False; moderate; p. 36)

25. Chester Bernard was the first to argue that organizations are open systems.

(True; moderate; p. 36)

26. The most important contribution to the field of organizational behavior came from studies conducted by the University of Michigan.

(False; moderate; p. 37)

27. The Hawthorne Studies were performed at the General Motors plant beginning in 1924.

(False; easy; p. 37)

28. Follett is the scientist who is most closely associated with the Hawthorne Studies.

(False; moderate; p. 37)

CURRENT TRENDS AND ISSUES

29. An organization whose whole existence is made possible by and revolves around the Internet is categorized as e-business enhanced.

(False; moderate; p. 46; AACSB: Technology)

30. According to the textbook, total quality management is a philosophy of management driven by continual improvement and responding to customer needs and expectations.

(True; moderate; p. 48)

MULTIPLE-CHOICE QUESTIONS

For each of the following choose the answer that *most completely* answers the question.

HISTORICAL BACKGROUND OF MANAGEMENT

31. Which of the following is not a reason why the division of labor enhances productivity?

- a. It increases worker skill and dexterity.
- b. It saves time lost in changing tasks.
- c. It encourages labor-saving inventions.
- d. It requires strict management control over worker time and motion.

(d; moderate; p. 28)

32. An example of early uses of the functions of management is the _____.

- a. development of gunpowder
- b. arsenal of Venice where ships were built
- c. Artist's Revolution in 1803
- d. War of 1812

(b; moderate; p. 28)

33. In *Wealth of Nations*, Adam Smith described the breakdown of jobs into narrow and repetitive tasks and called this _____.

- a. assembly lines
- b. work denomination
- c. division of labor
- d. greatest common factor of work

(c; challenging; p. 28)

34. Which of the following was a major result of the Industrial Revolution?

- a. cottage industry
- b. water power
- c. factory manufacturing
- d. critical thinking

(c; challenging; p. 29)

SCIENTIFIC MANAGEMENT

35. Frederick Taylor performed most of his work in _____.

- a. grape vineyards in California
- b. steel companies in Pennsylvania
- c. auto assembly plants near Detroit
- d. cotton gins in Alabama

(b; easy; p. 30)

36. Before Taylor, which of the following approaches was used to establish guidelines for an individual's work?

- a. scientific analysis
- b. rule-of-thumb method
- c. process distillation
- d. mathematical modeling

(b; easy; p. 30)

37. Frederick Taylor advocated which of the following management principles?

- a. Work and responsibility should be divided almost equally between managers and workers.
- b. Workers should perform all work, while management should maintain responsibility for the work performed.
- c. Managers should perform more work than workers, because managers are generally more skilled.

d. Workers can be highly productive even if they are randomly selected for a job.
(a; moderate; p. 31)

38. Frank and Lillian Gilbreth's work began in the area of _____.

- a. laying bricks
- b. cutting lumber
- c. installing rudimentary electrical wiring
- d. assembly lines

(a; easy; p. 31)

39. Frank and Lillian Gilbreth were the first researchers to utilize motion pictures to the study of _____.

- a. reactions of workers in group settings
- b. hand-and-body motions
- c. workers reactions to pay increases
- d. groups of workers in tense situations where they are assigning each other tasks

(b; moderate; p. 31)

40. Which of the following phrases is most associated with scientific management?

- a. management relations
- b. one best way
- c. supply and demand
- d. quality control

(b; moderate; p. 31)

41. The primary issue that motivated Taylor to create a more scientific approach to management was _____.

- a. worker efficiency
- b. worker effectiveness
- c. worker absenteeism and turnover
- d. workplace safety

(a; moderate; p. 30)

42. Probably the best-known example of Taylor's scientific management was the _____ experiment.

- a. horseshoe
- b. pig iron
- c. blue collar
- d. fish tank

(b; moderate; p. 30)

43. Based on his scientific management principles, Taylor suggested which of the following pay principles?

- a. monthly salary
- b. monthly salary with bonus

- c. seniority pay
- d. incentive pay

(d; difficult; p. 31)

44. A “therblig” concerns what scientific management workplace issue?
- a. optimum temperature for workplace efficiency
 - b. basic hand motions
 - c. optimum speed for basic motions
 - d. weight/movement ratios

(b; moderate; p. 32)

GENERAL ADMINISTRATIVE THEORY

45. General administrative theory focuses on _____.
- a. the entire organization
 - b. managers and administrators
 - c. the measurement of organizational design relationships
 - d. primarily the accounting function

(a; easy; p. 32)

46. General administrative theorists devoted their efforts to _____.
- a. developing mathematical models to improve management
 - b. improving the productivity and efficiency of workers
 - c. making the overall organization more effective
 - d. emphasizing the study of human behavior in organizations

(c; moderate; p. 32)

47. Fayol was interested in studying _____, whereas Taylor was interested in studying _____.
- a. senior managers; effective managers
 - b. all managers; first-line managers
 - c. bureaucratic structures; chains of command
 - d. administrative theory; macroeconomics

(b; difficult; p. 32)

48. Which of the following is not one of Fayol’s principles of management?
- a. division of work
 - b. unity of command
 - c. discipline
 - d. equality

(d; difficult; p. 32)

49. According to Weber’s ideal bureaucracy, _____ occurs when employees are placed in jobs based on technical qualifications.
- a. career orientation

- b. authority hierarchy
- c. impersonality
- d. formal selection

(d; moderate; p. 32)

50. Bureaucracy is defined as a form of organization characterized by _____.

- a. division of labor
- b. clearly defined hierarchy
- c. detailed rules and regulations
- d. all of the above

(d; moderate; p. 32)

QUANTITATIVE APPROACH

51. The quantitative approach to management has also been referred to by which of the following names?

- a. sales optimization
- b. operations research
- c. managerial theory
- d. statistical reformulation

(b; easy; p. 34)

52. The quantitative approach evolved from the development of mathematical and statistical solutions to _____.

- a. waiting line problems at fast-food restaurants in the 1960s
- b. military problems in World War II
- c. clogged telephone circuits during the 1930s
- d. production management problems in the 1950s

(b; easy; p. 34)

53. The quantitative approach involves applications of _____.

- a. statistics, information models, and computer simulations
- b. psychology testing, focus groups, and mathematics
- c. optimization models, interviews, and questionnaires
- d. surveys, strategic planning, and group problem solving

(a; moderate; p. 35)

54. Quantitative techniques have become less intimidating with the advent of _____.

- a. training of these techniques in college
- b. digital image processing
- c. sophisticated computer software
- d. managers with better mathematical skills

(c; difficult; p. 35)

55. _____ is a technique that managers use to improve resource allocation decisions.

- a. Linear programming
- b. Work scheduling
- c. Economic order quantity modeling
- d. Regression analysis

(a; moderate; p. 35)

56. Decisions on determining a company's optimum inventory levels have been significantly influenced by _____.

- a. linear programming
- b. work scheduling
- c. economic order quantity modeling
- d. regression analysis

(c; moderate; p. 35)

57. Which of the following would not be associated with the quantitative approach to management?

- a. information models
- b. critical-path scheduling
- c. systematic motivation of individuals
- d. linear programming

(c; moderate; p. 35)

58. Each of the following represents a drawback to the quantitative approach except _____.

- a. managers are unfamiliar with quantitative tools
- b. managers cannot relate easily to quantitative models
- c. managers tend to be intimidated by quantitative tools
- d. quantitative problems are more widespread than behavioral problems

(d; moderate; p. 35)

TOWARD UNDERSTANDING ORGANIZATIONAL BEHAVIOR

59. A company that sees its employees as the driving force behind the organization probably follows which managerial approach?

- a. workplace diversity
- b. organizational behavior
- c. quantitative analysis
- d. total quality management

(b; moderate; p. 36)

60. Which of the following is most closely associated with the organizational behavior approach to management?

- a. bureaucracy

- b. concern for employee motivation
- c. scientific methodology
- d. interdependent systems

(b; moderate; p. 36)

61. According to the textbook, which of the following early advocates of organizational behavior was concerned about deplorable working conditions?

- a. Robert Owens
- b. Hugo Munsterberg
- c. Mary Parker Follett
- d. Chester Barnard

(a; difficult; p. 36)

62. Which of the following early advocates of organizational behavior created the field of industrial psychology, the scientific study of people at work?

- a. Robert Owens
- b. Hugo Munsterberg
- c. Mary Parker Follett
- d. Chester Barnard

(b; difficult; p. 36)

63. _____ was one of the first to recognize that organizations could be viewed from the perspective of individual and group behavior.

- a. Robert Owens
- b. Hugo Munsterberg
- c. Mary Parker Follett
- d. Chester Barnard

(c; moderate; p. 36)

64. Which of the following early advocates of organizational behavior was the first to argue that organizations were open systems?

- a. Robert Owens
- b. Hugo Munsterberg
- c. Mary Parker Follett
- d. Chester Barnard

(d; moderate; p. 36)

65. Which four theorists are associated with the early organizational behavior approach?

- a. Barnard, Follett, Munsterberg, and Owen
- b. Munsterberg, Taylor, Fayol, and Follett
- c. Taylor, Fayol, Weber, and Barnard
- d. Follett, Barnard, Munsterberg, and Weber

(a; moderate; p. 36)

66. Which of the following was a major contribution of Hugo Munsterberg?

- a. He was a social reformer.
- b. He created the field of industrial psychology.
- c. He was interested in individual and group behavior.
- d. He viewed organizations as social systems requiring human cooperation.

(b; moderate; p. 36)

67. Munsterberg's work in industrial psychology is easily connected with what other management approach?

- a. general administrative
- b. classical management
- c. systems
- d. scientific management

(d; difficult; p. 36)

68. Contemporary management practices that emphasize work groups as a means to increasing productivity can be traced to which of the following authors?

- a. Robert Owen
- b. Mary Parker Follett
- c. Chester Barnard
- d. Hugo Munsterberg

(b; moderate; p. 36)

69. Which of the following is true concerning the management beliefs of Barnard?

- a. Employee ability and motivation remain fixed within a single employee, but vary across different employees.
- b. To improve productivity, management should concentrate on selecting the best employee rather than motivating current employees.
- c. Productivity is best achieved by insulating the organization from external constituencies.
- d. Organizations are social systems that require human cooperation.

(d; difficult; p. 36)

70. Without question, the most important contribution to the developing field of organizational behavior came out of the _____.

- a. Taylor studies
- b. Porter studies
- c. Parker studies
- d. Hawthorne Studies

(d; moderate; p. 37)

71. The Hawthorne Studies were initially devised to study _____.

- a. productivity levels of groups versus individuals
- b. the effect of noise on employee productivity
- c. the effect of illumination levels on employee productivity

- d. the effect of cooperative versus competitive organizational environments on productivity

(c; moderate; p. 37)

72. What scientist is most closely associated with the Hawthorne Studies?

- a. Adams
- b. Mayo
- c. Lawler
- d. Barnard

(b; easy; p. 37)

73. One outcome of the Hawthorne Studies could be described by which of the following statements?

- a. Social norms or group standards are the key determinants of individual work behavior.
- b. Money is more important than the group on individual productivity.
- c. Behavior and employee sentiments are inversely related.
- d. Security is relatively unimportant.

(a; moderate; p. 37)

THE SYSTEMS APPROACH

74. A system can best be defined as _____.

- a. a grouping of separate and independent parts
- b. a set of interrelated and interdependent parts
- c. an ordering of distinct and unrelated parts
- d. a set of connected but nonfunctional parts

(b; moderate; p. 38)

75. Each of the following terms could be used to characterize systems except _____.

- a. unified
- b. fragmented
- c. whole
- d. set

(b; moderate; p. 38)

76. Which of the following types of systems does not interact with its environment?

- a. fluid
- b. diagrammatic
- c. closed
- d. resource-driven

(c; moderate; p. 38)

77. Which of the following is considered a systems input?

- a. management activities

- b. financial results
- c. operations methods
- d. raw materials

(d; moderate; p. 38)

78. In an open organizational system, products and services produced by the organization can be considered as which of the following?

- a. capital expenditures
- b. transformation processes
- c. outputs
- d. inputs

(d; moderate; p. 38)

79. Open organizations are those that _____.

- a. interact with their environments
- b. consist of interdependent parts
- c. are influenced by their environments, but do not interact with them
- d. operate independently of their environments

(a; moderate; p. 38)

80. According to the systems approach, effective management must ensure that _____.

- a. its organization succeeds in ignoring governmental regulations
- b. its organization becomes self-contained
- c. key departments within an organization have the greatest efficiency
- d. all interdependent units within an organization operate together

(a; moderate; p. 38)

THE CONTINGENCY APPROACH

81. A manager who believes that no one set of principles applies equally to all work environments is most likely advocating which management approach?

- a. contingency
- b. workplace diversity
- c. organizational behavior
- d. knowledge management

(a; easy; p. 39)

82. The contingency approach to management is based upon which of the following?

- a. similarities found within all organizations
- b. a set of universal management rules
- c. exceptions to generally accepted management principles
- d. knowledge developed based on sophisticated logic models

(c; moderate; p. 39)

83. Each of the following represents a popular contingency variable except _____.
- a. organization size
 - b. individual differences
 - c. environmental uncertainty
 - d. ideal bureaucratic structure

(d; moderate; p. 33)

CURRENT TRENDS AND ISSUES

84. The fastest growth in the U.S. workforce is expected to be among _____.

- a. African-American workers
- b. Asian workers
- c. Japanese workers
- d. German workers

(b; moderate; p. 43; AACSB: Diversity)

85. Workforce diversity refers to differences in employees such as _____.

- a. gender
- b. race
- c. age
- d. all of the above

(d; moderate; p. 43; AACSB: Diversity)

86. Workforce diversity will be significantly affected in the next decade by _____.

- a. increases in the teen worker population
- b. the aging of the U.S. population
- c. increases in the U.S. divorce rate
- d. increases in U.S. birthrates

(b; moderate; p. 43; AACSB: Diversity)

87. TQM differs from earlier management theories because _____.

- a. employee layoffs are considered acceptable provided that morale remains stable
- b. high quality and low costs are both seen as important to productivity
- c. reworked production items are handled by special teams assigned to this task
- d. low costs are viewed as the only road to increased productivity

(b; challenging; p. 48)

88. A learning organization develops the capability to _____.

- a. add new training programs even when competitors are going bankrupt
- b. accept the conventional wisdom of the industry
- c. continuously learn, adapt, and change
- d. attract new employees who work well in teams

(c; moderate; p. 46-47)

89. _____ is the process of developing businesses to pursue trends and changes that no one else has responded to previously.

- a. Entrepreneurship
- b. Division of labor
- c. Evolution
- d. E-commerce

(a; easy; p. 44)

90. Knowledge management involves encouraging the members of the organization to _____.

- a. improve the educational level of the average employee
- b. develop new training programs to help new employees learn their jobs
- c. develop a corporate university like Hamburger University at McDonald's
- d. systematically gather information and share it with others

(d; moderate; p. 47)

91. The sales and marketing component of e-business is known as _____.

- a. intranet
- b. evolution
- c. e-commerce
- d. extranet

(c; easy; p. 45; AACSB: Technology)

92. _____ and _____ were two of the pioneers in the area of total quality management.

- a. Fayol; Weber
- b. Taylor; Gilbreth
- c. Owen; Munsterberg
- d. Deming; Juran

(d; moderate; p. 48)

93. Which of the following is not one of the three important themes that stand out in the definition of entrepreneurship?

- a. the pursuit of opportunities
- b. the theme of innovation
- c. the importance of conformity with tradition
- d. the theme of growth

(c; moderate; p. 44-45)

94. Which of the following types of e-businesses uses the Internet to perform its traditional business functions better, but not to sell anything?

- a. e-business enhanced organization
- b. e-business enabled organization
- c. total e-business organization
- d. theoretical e-business organization

(b; moderate; p. 46; AACSB: Technology)

95. Levi Strauss & Co. is categorized as which of the following?

- a. e-business enhanced
- b. e-business enabled
- c. total e-business
- d. theoretical e-business

(b; moderate; p. 46; AACSB: Technology)

96. An internal organizational communication system that uses Internet technology and is accessible only by organizational employees to communicate with its global workforce is called a(n) _____.

- a. extranet
- b. local area network
- c. intranet
- d. hypernet

(c; moderate; p. 46; AACSB: Technology)

97. An organization whose entire existence is made possible by and revolves around the Internet is categorized as which of the following?

- a. e-business enhanced
- b. e-business enabled
- c. total e-business
- d. theoretical e-business

(c; moderate; p. 46)

98. Which of the following involves changing, revolutionizing, transforming, or introducing new products or services or new ways of doing business?

- a. organizational structures
- b. innovation
- c. organizational systems
- d. ethical standards

(b; moderate; p. 44)

99. All of the following are characteristic of learning organizations except _____.

- a. positive attitudes toward change
- b. viewing managers as enablers
- c. emphasizing the importance of knowledge for competitive advantage
- d. fear of making mistakes

(d; moderate; p. 47)

100. _____ is the generic term used to describe the quality revolution that swept through both the business and public sectors during the 1980s and 1990s.

- a. Ethno quality management

- b. Total quality management
- c. Hyper quality management
- d. Partial quality management

(b; moderate; p. 48)

101. All of the following are characteristics of total quality management except _____.

- a. intense focus on the competition
- b. concern for continual improvement
- c. improvement in the quality of everything the organization does
- d. accurate measurement
- e. empowerment of employees

(a; moderate; p. 48)

102. A _____ organization is one that has developed the capacity to continuously learn, adapt, and change.

- a. virtual
- b. learning
- c. traditional
- d. bureaucratic

(b; moderate; p. 46-47)

103. _____ involves cultivating a learning culture where organizational members systematically gather knowledge and share it with others in the organization so as to achieve better performance.

- a. Systems management
- b. Software management
- c. Technical management
- d. Knowledge management

(d; moderate; p. 47)

104. Each of the following might be expressed by employees of a learning organization except _____.

- a. “if it was invented or reinvented here, reject it”
- b. “if you aren’t changing, you won’t be working for long”
- c. “innovation is the responsibility of all employees”
- d. “good managers are directive and controlling”

(d; difficult; p. 47)

105. Quality management is driven by a focus _____.

- a. workplace diversity
- b. workplace spirituality
- c. continual improvement
- d. knowledge management

(c; moderate; p. 48)

SCENARIOS AND QUESTIONS

For each of the following choose the answer that *most completely* answers the question.

SCIENTIFIC MANAGEMENT

A Look Back (Scenario)

Cindy Schultz, tired from working with customers all day, decided to take a 15-minute nap. She needed to clear her head before the 4:15 P.M. managers' meeting. Her company had recently begun a reengineering process. They were going through many changes that required extensive management input. As she leaned back in her chair, Cindy wondered if management processes had always been this way. She fell asleep and dreamed that she was traveling in a time machine with "Mr. Peabody" as her guide. Mr. Peabody took Cindy back through management history.

106. Cindy visited a bookstore that was holding a book signing. She saw that the title of the book was *Principles of Scientific Management*, which had just been published. Cindy concluded that the time period must be _____.
- early 1800s
 - late 1800s
 - early 1900s
 - mid 1900s

(c; easy; p. 30)

107. Cindy admired the works of Taylor and Gilbreth, two advocates of _____.
- scientific management
 - organizational behavior
 - human resource management
 - motivation

(a; moderate; p. 30-31)

108. Cindy was impressed to learn that Frederick Taylor's experiments succeeded in improving worker productivity by _____ percent or more.
- 25
 - 50
 - 130
 - 200

(d; moderate; p. 30)

109. Cindy spent some time visiting with _____, a researcher who also contributed to management science by being among the first to use motion picture films to study hand-and-body motions.
- Henry Gantt

- b. Max Weber
 - c. Chester Barnard
 - d. Frank Gilbreth
- (d; moderate; p. 31)**

Management Intern (Scenario)

As an intern, Jeanna is perplexed as she hears different managers discuss their views on particular problems. She has been assigned to several departments during her internship.

110. In trying to increase productivity, one manager utilizes analysis of basic work tasks to determine the “one best way” for different jobs to be done. It is most likely that this manager has studied the work of _____.
- a. Frederick Taylor
 - b. Edward Deming
 - c. Max Weber
 - d. Henri Fayol

(a; challenging; p. 30)

111. As she talked to another manager, Jeanna learned a view of the organization that stressed strict division of labor, formal rules and regulations, and impersonal application of those rules and regulations. This manager was a student of _____.
- a. the Industrial Revolution
 - b. quantitative methods
 - c. objectivism
 - d. bureaucracy

(d; moderate; p. 32)

TOWARD UNDERSTANDING ORGANIZATIONAL BEHAVIOR

The Hawthorne Studies (Scenario)

Paul was assigned a research project in the field of organizational behavior. He decided to write his report on the Hawthorne Studies. After writing his report, Paul gave an oral presentation to his management class.

112. Paul explained that the Hawthorne Studies project began as a test to determine the most productive _____.
- a. reward structure for employees
 - b. level of lighting in the workplace
 - c. number of breaks during a shift
 - d. number of days away from work per month

(b; moderate; p. 37)

113. In describing the research project, Paul informed his classmates that the project studied _____.

- a. employee behaviors and sentiments
- b. group influences on individual behavior
- c. how group standards affect individual behavior
- d. all of the above

(d; difficult; p. 37)

114. Paul's classmates were most likely surprised to learn about which of the following conclusions of the study?

- a. Low light levels are associated with low worker productivity.
- b. Increases in lighting intensity cause group productivity to decrease.
- c. Increases in lighting intensity are directly related to increases in productivity.
- d. Lighting intensity is not directly related to group productivity.

(d; moderate; p. 37)

115. In explaining what critics disliked about the Hawthorne Studies, Paul most likely listed which of the following?

- a. the research procedures
- b. analyses of findings
- c. the conclusions based on the analyses of the findings
- d. all of the above

(d; difficult; p. 37)

116. Paul explained that the most important thing about these studies is that they _____.

- a. helped employees understand their own behavior, beginning the employee empowerment movement
- b. stimulated interest in human behavior in organizations
- c. concluded that employees were no different from machines
- d. showed that managers had to be right in all their decisions

(b; difficult; p. 37)

The Human Side (Scenario)

As an engineer, Kevin was trained to understand the roles of machinery and hardware in enhancing organizational productivity. However, Kevin was promoted to a managerial position where his duties included supervising a department of 34 people and leading them toward completion of a new project. Ever the perfectionist, Kevin decided to enhance his understanding of the human side of business management by reading a history text on the organizational behavior approach.

117. Kevin read that _____ was an early social reformer who is remembered most for his/her courage and commitment to improving the working conditions of laborers.

- a. Hugo Munsterberg
- b. Robert Owen
- c. Mary Parker Follett
- d. Chester Barnard

(b; moderate; p. 36)

118. Kevin also expanded his reading list to include works authored by _____, the creator of the field of industrial psychology.

- a. Hugo Munsterberg
- b. Robert Owen
- c. Mary Parker Follett
- d. Chester Barnard

(a; moderate; p. 36)

119. Kevin was surprised to learn that using group-based projects was not a contemporary concept. In fact, _____ was an early 1900s social philosopher who thought that organizations should be based on a group ethic.

- a. Hugo Munsterberg
- b. Robert Owen
- c. Mary Parker Follett
- d. Chester Barnard

(c; moderate; p. 36)

120. Kevin also learned that the organizational behavior approach was not limited to academic theorists. A strong contribution to this field was made by _____, an actual manager who thought organizations were social systems that required cooperation.

- a. Hugo Munsterberg
- b. Robert Owen
- c. Mary Parker Follett
- d. Chester Barnard

(d; moderate; p. 36)

CURRENT TRENDS AND ISSUES

Regional University (Scenario)

A regional university is trying to deal with many pressures to maintain its vitality in today's educational environment. It faces many challenges that test the managers at the university.

121. Realizing that the university needs to attract a heterogeneous mixture of faculty, the university develops a plan to hire faculty from different genders, races, and ages. This is seen as a move to develop _____ in the university.

- a. workforce diversity

- b. entrepreneurship
- c. e-business
- d. scientific management

(a; easy; p. 43; AACSB: Diversity)

122. Most university programs that offer degrees through classes on the Internet are at either the associate degree or graduate level. This university notices a need for programs that offer bachelor's degree. In response to this need, the university decides to offer a degree at bachelor's level. This innovative effort is an example of _____.

- a. workforce diversity
- b. entrepreneurship
- c. organizational behavior
- d. scientific management

(b; moderate; p. 44)

123. In an effort to improve operations in the university, Internet Web pages are developed to market the university, accept applications to the university, and accept applications for campus housing. These operations help turn the university into an e-business _____ organization.

- a. enhanced
- b. enabled
- c. constructive
- d. effective

(b; moderate; p. 46; AACSB: Technology)

124. University classes were soon developed that could be delivered through the Internet. These classes, and any required course texts, could be purchased over the Internet as well. The addition of these Internet classes helped turn the university into an e-business _____ organization.

- a. enhanced
- b. enabled
- c. constructive
- d. effective

(a; moderate; p. 46; AACSB: Technology)

The New Challenge (Scenario)

Tom has just been promoted to chief technology officer at his company, Global Tech Solutions, Inc. His first assignment is to identify four project managers in the company who are likely to successfully manage new projects. Tom selects Robert, Frank, Sue, and Jan, who all are recent graduates from a local university. He informs them about a current situation.

125. During a discussion about e-business, Robert tells Tom that he understands that e-business is a comprehensive term describing the way an organization does its work by using _____ in order to efficiently and effectively achieve its goals.
- a. globalization of the marketplace
 - b. innovation and growth
 - c. electronic linkages with key constituencies
 - d. entrepreneurship and leadership skills
- (c; moderate; p. 45; AACSB: Technology)**

126. Discussing the three categories of e-business was not difficult. Tom simply stated that the three categories included all of the following except _____.
- a. e-business enhanced
 - b. e-business enabled
 - c. total e-business
 - d. cross-sectional e-business
- (d; moderate; p. 46; AACSB: Technology)**

127. Tom further clarified that many *Fortune* 500 type organizations are evolving into e-businesses using the _____ approach.
- a. e-business-enhanced
 - b. e-business-enabled
 - c. total e-business
 - d. cross-sectional e-business
- (a; moderate; p. 46; AACSB: Technology)**

128. Sue asked for some examples of traditional organizations that have become e-business enhanced. Tom mentioned _____ as an example.
- a. Yahoo!
 - b. Sears
 - c. Google
 - d. Levi Strauss
- (b; moderate; p. 46; AACSB: Technology)**

The New Business (Scenario)

Lois has started on her own children's clothing manufacturing company. She is a bit nervous but is confident that the company will succeed. Lois plans to implement a total quality management program in her company. To launch the program, she develops a series of training workshops for her managers.

129. The first training workshop explains the background of total quality management. Which of the following quality experts is Lois most likely to include in this workshop?
- a. Henry Ford
 - b. Joseph M. Duran

- c. Bernie Ebbers
- d. Jeff Bezos

(b; moderate; p. 48)

130. In the second workshop, Lois explains the key principles of total quality management. Which of the following is she most likely to mention?
- a. intense focus on the customer
 - b. discipline of employees
 - c. focus on work products rather than processes
 - d. reduced attention to complaint resolution

(a; moderate; p. 48)

131. The third workshop is devoted to understanding how total quality management defines the term *customer*. This definition includes _____.
- a. all those who interact with the organization's products or services
 - b. only those who purchase the organization's products or services
 - c. suppliers and purchasers, but not company employees
 - d. only those who register a specific complaint regarding a product or service

(a; moderate; p. 48)

ESSAY QUESTIONS

HISTORICAL BACKGROUND OF MANAGEMENT

132. Which two historical events were especially significant to the study of management? Describe these events and discuss how they helped develop the management profession.

Answer

Two historical events are especially significant to the study of management. First, in 1776, Adam Smith published *The Wealth of Nations*, in which he argued the economic advantages that organizations and society would gain from the **division of labor** (or job specialization). The division of labor involved the breakdown of jobs into narrow and repetitive tasks. Smith's work showed that division of labor increased productivity by increasing each worker's skill and dexterity. It also saved time lost in changing tasks, and it encouraged the development of labor-saving inventions and machinery. Division of labor continues to be popular as a principle for managing work.

The second important event is the **Industrial Revolution**, which started in the late eighteenth century. During the Industrial Revolution, machine power was substituted for human power. This made it more economical to manufacture goods in factories rather than at home. The shift to factory work increased the need for management professionals. Large efficient factories needed managers to forecast demand and to ensure that enough material was on hand to make products. Managers were also

needed to assign tasks to people and to direct daily activities. The increase in managers in turn necessitated the development of formal theories to guide managers in running large organizations.

(moderate, pp. 28-29)

SCIENTIFIC MANAGEMENT

133. In a short essay, discuss Frederick Taylor's work in scientific management. Next, list Taylor's four principles of management.

Answer

Frederick Taylor did most of his work at the Midvale and Bethlehem Steel Companies in Pennsylvania. As a mechanical engineer with a Quaker and Puritan background, he was continually appalled by workers' inefficiencies. Employees used vastly different techniques to do the same job. They were inclined to "take it easy" on the job, and Taylor believed that worker output was only about one-third of what was possible. Virtually no work standards existed. Workers were placed in jobs with little or no concern for matching their abilities and aptitudes with the tasks they were required to do. Managers and workers were in continual conflict. Taylor set out to correct the situation by applying the scientific method to shop floor jobs. He spent more than two decades passionately pursuing the "one best way" for each job to be done.

Taylor's Four Principles of Management

- a. Develop a science for each element of an individual's work, which will replace the old rule-of-thumb method.
- b. Scientifically select and then train, teach, and develop the worker.
- c. Heartily cooperate with the workers so as to ensure that all work is done in accordance with the principles of the science that has been developed.
- d. Divide work and responsibility almost equally between management and workers. Management takes over all work for which it is better fitted than the workers.

(difficult; pp. 30-31)

134. In a short essay, discuss the work in scientific management done by Frank and Lillian Gilbreth.

Answer

Frank Gilbreth is probably best known for his experiments in bricklaying. By carefully analyzing the bricklayer's job, he reduced the number of motions in laying exterior brick from 18 to about 5, and on laying interior brick the motions were reduced from 18 to 2. Using the Gilbreth's techniques, the bricklayer could be more productive on the job and less fatigued at the end of the day. The Gilbreths were among the first researchers to use motion pictures to study hand-and-body motions and the amount of time spent doing each motion. Wasted motions missed by the naked eye could be identified and eliminated. The Gilbreths also devised a

classification scheme to label 17 basic hand motions, which they called therbligs. This scheme allowed the Gilbreths a more precise way of analyzing a worker's exact hand movements.

(moderate; pp. 31-32)

GENERAL ADMINISTRATIVE THEORYS

135. In a short essay, discuss the work of Henri Fayol as it relates to the general administrative approach to management. Next, list and discuss 7 of Fayol's 14 principles of management.

Answer

Fayol described the practice of management as something distinct from accounting, finance, production, distribution, and other typical business functions. He argued that management was an activity common to all human endeavors in business, in government, and even in the home. He then proceeded to state 14 principles of management—fundamental rules of management that could be taught in schools and applied in all organizational situations.

Fayol's 14 Principles of Management

- a. Division of work—specialization increases output by making employees more efficient.
- b. Authority—managers must be able to give orders. Authority gives them this right. Along with authority, however, goes responsibility.
- c. Discipline—employees must obey and respect the rules that govern the organization.
- d. Unity of command—every employee should receive orders from only one superior.
- e. Unity of direction—the organization should have a single plan of action to guide managers and workers.
- f. Subordination of individual interests to the general interest—the interests of any one employee or group of employees should not take precedence over the interests of the organization as a whole.
- g. Remuneration—workers must be paid a fair wage for their services.
- h. Centralization—this term refers to the degree to which subordinates are involved in decision making.
- i. Scalar chain—the line of authority from top management to the lowest ranks in the scalar chain.
- j. Order—people and materials should be in the right place at the right time.
- k. Equity—managers should be kind and fair to their subordinates.
- l. Stability of tenure of personnel—management should provide orderly personnel planning and ensure that replacements are available to fill vacancies.
- m. Initiative—employees who are allowed to originate and carry out plans will exert high levels of effort.

- n. Esprit de corps—promoting team spirit will build harmony and unity within the organization.

(difficult; p. 32-33)

136. Describe the six elements of Max Weber's model of bureaucracy. Explain the significance of each.

Answer

In Max Weber's model, an ideal bureaucracy contains six elements. The first of these is a **division of labor**, through which jobs are broken down into simple, routine, and well-defined tasks. The second element is an **authority hierarchy**, in which job positions are organized within a clear chain of command. The third element is **formal selection**, through which personnel are selected for jobs based on their technical qualifications.

The fourth element of Weber's model is **formal rules and regulations**. Weber believed that a bureaucracy should be organized according to a system of written rules and standard operating procedures. Fifth, Weber believed that bureaucracies should be characterized by **impersonality**. Through this element, rules and controls could be applied in a uniform way, not according to individual personalities. Finally, Weber's bureaucratic model includes a sixth element: **career orientation**. Weber saw managers not as owners of the units they manage, but instead as career professionals.

(difficult; p. 32-34)

TOWARD UNDERSTANDING ORGANIZATIONAL BEHAVIOR

137. In a short essay, describe the Hawthorne Studies. Next, discuss the role of Elton Mayo in these studies and list some of the findings of his research.

Answer

Without question, the most important contribution to the developing organizational behavior field came from the Hawthorne Studies, a series of studies conducted at the Western Electric Company Works in Cicero, Illinois. Western Electric industrial engineers initially designed these studies as a scientific management experiment. They wanted to examine the effect of various illumination levels on worker productivity. Based on their research, it was concluded that illumination intensity was not directly related to group productivity. In 1927, the Western Electric engineers asked Harvard professor Elton Mayo and his associates to join the study as consultants. Through additional research, Elton Mayo concluded that group influences affected individual behavior, that group standards establish individual worker output, and that money is less a factor in determining output than are group standards, group sentiments, and security. These conclusions led to a new emphasis on the human behavior factor in the functioning of organizations and the attainment of their goals.

(difficult; p. 37)

THE SYSTEMS APPROACH

138. In a short essay, explain three primary ways in which the systems approach contributes to our understanding of management.

Answer

The systems approach contributes to our understanding of management first by helping us to understand that organizations are made up of interdependent factors. As managers coordinate work activities in the various units of the organization, they must ensure that all of the interdependent units are working together so that the organization's goals can be achieved. The systems approach recognizes that an organization's overall performance is dependent upon the efforts of many units working together.

Second, the systems approach helps us to understand that decisions and actions taken in one organizational area will affect others and vice versa. For example, if the purchasing department of a company doesn't acquire the right quantity and quality of inputs, that company's production department will not be able to do its job effectively.

Third, the systems approach recognizes that organizations are not self-contained. They rely on their environments for essential inputs. They also use their environments as outlets to absorb their outputs. No organization can survive for long if it ignores government regulations, supplier relations, or the varied external constituencies upon which it depends.

(difficult; pp. 38-39)

THE CONTINGENCY APPROACH

139. Describe four popular variables established by the contingency approach. Explain how each variable might affect management approaches in different organizations. Provide an example of each.

Answer

One important contingency variable is the **size** of an organization. As the size of an organization increases, so do the problems of coordination. For instance, the type of organization structure appropriate for an organization of 50,000 employees is likely to be inefficient for an organization of 50 employees. A very large organization might require a more hierarchical management structure. A small organization, on the other hand, might thrive with less hierarchy in its management structure.

A second popular contingency variable concerns the **routineness of task technology**. To achieve its purpose, an organization must use technology. Routine technologies require organizational structures, leadership styles, and control systems that differ from those required by customized or nonroutine technologies. An auto manufacturing plant, for instance, might use routine technologies such as robots to

perform automated work. These robots would require a much different type of management than would be required within a service business, such as a fast food restaurant, where employees' customer service performance must be supervised.

A third contingency variable is **environmental uncertainty**. The degree of uncertainty caused by environmental changes influences the management process. What works best in a stable and predictable environment may be totally inappropriate in a rapidly changing and unpredictable environment. A company that is going through a merger, for instance, might require its managers to focus on helping employees cope with management transitions. A company that is in a more stable environment might encourage its managers to focus on employee productivity and company growth.

A fourth contingency variable concerns **individual differences**. Individuals differ in terms of their desire for growth, autonomy, tolerance of ambiguity, and expectations. These and other individual differences are particularly important when managers select motivation techniques, leadership styles, and job designs. An individual who desires a great deal of autonomy on the job might need to be managed in a very "hands off" style, for example. An individual who is very motivated by team success might need to have his or her work activities structured to involve a great deal of group interaction.

(difficult; p. 40)

CURRENT TRENDS AND ISSUES

140. Name three ways in which globalization has changed the manager's job. Describe and provide an example of each.

Answer

a. Working with people from different cultures. Even in your own country, you're likely to find yourself working with bosses, peers, and other employees who were born or raised in different cultures. What motivates you may not motivate them. Or your style of communication may be direct and open, but they may find this approach uncomfortable and threatening. To work effectively with a group of diverse people, you'll need to understand how their culture, geography, and religion have shaped their values, attitudes, and beliefs and adjust your management style accordingly.

b. Coping with anticapitalist backlash. Capitalism's emphasis on profits, efficiency, and growth may be generally accepted in the United States, Australia, and Hong Kong, but that emphasis is not nearly as popular in places like France, the Middle East, or the Scandinavian countries. Managers at global companies like Coca-Cola, McDonald's, or Procter & Gamble have come to realize that economic values aren't universally transferable. Management practices need to be modified to reflect the values of the different countries in which an organization operates.

c. Movement of jobs to countries with low-cost labor. Globalization means businesses can hire, source, and sell wherever they want. It's increasingly difficult for managers in economically advanced nations, where minimum wages are typically \$6 or more an hour, to compete against companies who rely on workers from developing nations where labor is available for 30 cents an hour. It's not by chance that a good portion of Americans wear clothes made in China, work on computers whose parts came from Thailand, and watch movies filmed in Canada. In a global economy, jobs tend to flow to places where lower costs provide businesses with a comparative advantage. The implication for managers is that they must be prepared to deal with the difficult task of balancing the interests of their organization as it looks for ways to keep costs low and remain competitive with their responsibilities to the communities within which they operate.

(difficult; pp. 40-41)