

## Chapter 02

### The Evolution of Management

#### True / False Questions

1. In the context of the origins of management, Wu Qi, a Chinese general, discussed the importance of planning and leading in his book *The Art of War*.

True   False

2. Around AD 1436, the Sumerians standardized production through the use of an assembly line, building warehouses and using an inventory system to monitor the contents.

True   False

3. In the context of the origins of management, throughout history, most managers operated by a trial-and-error basis.

True   False

4. In the context of the origins of management, the emergence of the Hawthorne Effect drove managers to strive for further growth.

True   False

5. The opportunities for mass production created by the industrial revolution spawned intense and systematic thought about management problems and issues.

True False

6. Toward the end of the industrial revolution, bureaucracy emerged as a formal discipline.

True False

7. The evolution of management thought is divided into two major sections: classical approaches and contemporary approaches.

True False

8. In the context of the classical approaches to management, the systematic management approach led to widespread production efficiency.

True False

9. Scientific management emphasized internal operations because managers were concerned primarily with meeting the explosive growth in demand brought about by the industrial revolution.

True False

10. Adam Smith introduced the scientific management approach in response to the failure of systematic management to bring about widespread production efficiency.

True False

11. In the context of scientific management, a key element of Frederick Taylor's approach was the principle of *esprit de corps*, that refers to promoting a unity of interests between employees and management.

True   False

12. In the context of scientific management, Lillian Gilbreth focused on the human side of management and was interested in how job satisfaction motivated employees.

True   False

13. According to Max Weber, bureaucratic positions foster specialized skills, eliminating many subjective judgments by managers.

True   False

14. One of the fourteen principles of management identified by Henri Fayol was the subordination of individual interest to the general interest.

True   False

15. In the context of the human relations approach to management, Abraham Maslow argued that people try to satisfy their lower-level needs and then progress upward to the higher-level needs.

True   False

16. The human relations approach to management ignored the more rational side of the worker and the important characteristics of the formal organization.

True   False

17. In the context of contemporary approaches to management, sociotechnical systems theory helps a manager make a decision by developing formal mathematical models of the problem.

True False

18. In the context of contemporary approaches to management, research on sociotechnical systems theory was a precursor to the total quality management (TQM) movement.

True False

19. In the context of contemporary approaches to management, managers do not rely on the methods of quantitative management as the primary approach to decision making.

True False

20. In the context of contemporary approaches to management, many aspects of a management decision cannot be expressed through mathematical symbols and formulas.

True False

21. In the context of Douglas McGregor's Theory X and Theory Y, an important implication for managers who subscribe to Theory X subscribe to Theory X is known as a contingency.

True False

22. According to the contingency perspective, there is only "one best way" to manage and organize.

True False

23. Understanding contingencies helps a manager know which sets of circumstances dictate which management actions.

True   False

24. In the context of modern contributors, Jim Collins discovered that “level 5 leaders” often leave enduring legacies without drawing a lot of attention to themselves.

True   False

25. Peter Drucker, a respected management guru, was the first person to discuss “management by objective” (MBO), by which a manager should be self-driven to accomplish key goals that link to organizational success.

True   False

26. The book *In Search of Excellence* discussed how a leader’s success hinges on balancing between personal and professional effectiveness.

True   False

27. Christopher A. Bartlett championed several ideas that continue to be influential to this day, including decentralization, employees as assets, corporation as a human community, and the importance of knowledge workers in the new information economy.

True   False

28. Peter Senge of MIT Sloan School of Management founded the “Society of Organizational Learning.”

True   False

29. If one does not anticipate change and adapt to it, one's firm will not thrive in a competitive business world.

True False

30. Change continually creates both new opportunities and new demands for lowering costs and for achieving greater innovation, quality, and speed.

True False

### Multiple Choice Questions

31. In 1776, \_\_\_\_ discussed control and the principle of specialization with regard to manufacturing workers.

A. Douglas McGregor

B. Max Weber

C. Frederick Taylor

D. Abraham Maslow

E. Adam Smith

32. \_\_\_\_ refer(s) to reductions in the average cost of a unit of production as the total volume produces increases.
- A. Sociotechnical systems
  - B. Bureaucracy
  - C. Systematic management
  - D. Economies of scale
  - E. Quantitative management
33. \_\_\_\_, one of the first university programs to offer management and business education, was founded in the late 19th century.
- A. Harvard Business School at Harvard University
  - B. The Wharton School at the University of Pennsylvania
  - C. Stanford Graduate School of Business at Stanford University
  - D. MIT Sloan School of Management at the Massachusetts Institute of Technology
  - E. Kellogg School of Management at Northwestern University
34. \_\_\_\_ is a classical management approach that attempted to build into operations the specific procedures and processes that would ensure coordination of effort to achieve established goals and plans.
- A. Scientific management
  - B. Administrative management
  - C. Systematic management
  - D. Human relations
  - E. Bureaucracy

35. \_\_\_\_ introduced the scientific management approach that advocated the application of scientific methods to analyze work and to determine how to complete production tasks efficiently.

- A. Frederick Taylor
- B. Henry L. Gantt
- C. Lillian M. Gilbreth
- D. Max Weber
- E. Henri Fayol

36. In the context of scientific management, which of the following is true of Frederick Taylor's contributions?

- A. Taylor believed that supervisors would be motivated to provide training to underperforming workers.
- B. Taylor created the Gantt chart, which helps managers plan projects by task and time to complete those tasks.
- C. Taylor developed a system to lower costs and increase worker productivity by showing how employees could work smarter, not harder.
- D. Taylor eventually focused less on the technical and more on the human side of management.
- E. Taylor advocated the use of the differential piecerate system.

37. In the context of scientific management, critics claimed that:

- A. organizations that need rapid decision making and flexibility may suffer with this approach.
- B. managers may ignore appropriate rules and regulations.
- C. managers were not trained to apply the principles of the theory.
- D. too much authority may be vested in too few people.
- E. it did not help managers deal with broader external issues such as government regulations.

38. In the context of classical approaches to management, \_\_\_\_ believed bureaucratic structures can eliminate the variability that results when managers in the same organization have different skills, experiences, and goals.

- A. Peter Drucker
- B. Henri Fayol
- C. Mary Follett
- D. Lillian Gilbreth
- E. Max Weber

39. Which of the following is a drawback of the bureaucratic approach to management?

- A. Production tasks were reduced to machine-like movements that led to boredom.
- B. The approach did not help managers deal with competitors and government regulations.
- C. Some people did not perform their best with excessive rules and regulations.
- D. The approach emphasized only money as a worker incentive.
- E. Management decisions were unsystematic.

40. In the context of Henri Fayol's 14 principles of management, \_\_\_\_ refers to promoting a unity of interests between employees and management.

- A. initiative
- B. esprit de corps
- C. centralization
- D. subordination
- E. stability

41. In the context of administrative management, \_\_\_\_ wrote the book *Dynamic Administration*, which emphasized the continually changing situations that managers face.

- A. Lillian Gilbreth
- B. Adam Smith
- C. Henri Fayol
- D. Max Weber
- E. Mary Parker Follett

42. Which of the following is one of Henri Fayol's 14 principles of management?

- A. Qualifications
- B. Ownership
- C. Rules and controls
- D. Scalar chain
- E. Adaptation

43. Which of the following is one of the five functions of management as identified by Henri Fayol?

- A. Commanding
- B. Adapting
- C. Rewarding
- D. Recognizing
- E. Advancing

44. Who contributed two key principles—the notion that managers desire flexibility and the differences between motivating groups and individuals—to administrative management?
- A. Lillian Gilbreth
  - B. Chester Barnard
  - C. Mary Parker Follett
  - D. Henri Fayol
  - E. Frederick Taylor
45. In the context of classical approaches to management, the \_\_\_\_ approach aimed at understanding how psychological and social processes interact with the work situation to influence performance.
- A. scientific management
  - B. systematic management
  - C. administrative management
  - D. human relations
  - E. bureaucracy
46. The \_\_\_\_ were a series of experiments conducted from 1924 to 1932 to investigate the influence of physical working conditions on workers' productivity and efficiency.
- A. Michigan Leadership Studies
  - B. Johari Window
  - C. Hawthorne Studies
  - D. Forming-Storming Model
  - E. Hierarchy of Needs

47. In the context of the human relations approach to management, after conducting the four stages of the \_\_\_\_\_, Mayo and his team eventually concluded that productivity and employee behavior were influenced by the informal work group.

- A. Hawthorne Studies
- B. Michigan Leadership Studies
- C. Blake and Mouton Managerial Grid
- D. Johari Window
- E. Novelty Studies

48. In the context of classical approaches to management, proponents of the \_\_\_\_\_ approach argued that managers should stress primarily employee welfare, motivation, and communication.

- A. scientific management
- B. systematic management
- C. human relations
- D. administrative management
- E. bureaucracy

49. In the context of classical approaches to management, which of the following is a principle of the human relations approach?

- A. Scientific methods should be applied to analyze work.
- B. Social needs have precedence over economic needs.
- C. Management should cooperate with workers to ensure that jobs match plans.
- D. Wasteful movements can be identified and removed to increase productivity.
- E. Management is a profession and can be taught.

50. Which classical approach to management advocates that management must gain the cooperation of the group and promote job satisfaction and group norms consistent with the goals of the organization?

- A. Systematic management
- B. Scientific management
- C. Bureaucracy
- D. Administrative management
- E. Human relations

51. Which of the following is true of Abraham Maslow's contribution to the field of human relations?

- A. He emphasized maintenance of inventories to meet consumer demand.
- B. He was concerned with meeting the explosive growth in demand brought about by the industrial revolution.
- C. He suggested that humans have five levels of needs.
- D. He concluded that management decisions were unsystematic.
- E. He advocated the application of scientific methods to analyze work.

52. According to Abraham Maslow, the most advanced human need is for:

- A. esteem.
- B. love or belonging.
- C. self-actualization.
- D. safety.
- E. the body.

53. Abraham Maslow suggested that the most basic human need(s) is/are the:

- A. physical needs.
- B. safety needs.
- C. need for personal fulfillment.
- D. need for love and belonging.
- E. need for esteem.

54. In the context of the human relations approach to management, \_\_\_\_ argued that people try to satisfy their lower-level needs and then progress upward to the higher-level needs.

- A. Elton Mayo
- B. William Procter
- C. Frederick Taylor
- D. Abraham Maslow
- E. Fritz Roethlisberger

55. In the context of classical approaches to management, \_\_\_\_ suggested that managers can facilitate the process of moving to higher-level needs after satisfaction of lower-level needs, and achieve organizational goals by removing obstacles and encouraging behaviors that satisfy people's needs and organizational goals simultaneously.

- A. Henri Fayol
- B. Abraham Maslow
- C. Elton Mayo
- D. Fritz Roethlisberger
- E. Mary Parker Follett

56. Which of the following is a criticism of the human relations approach to management?
- A. Too much authority may be vested in too few people.
  - B. Managers may ignore appropriate rules and regulations.
  - C. The important characteristics of the formal organization are ignored.
  - D. Procedures may become the ends rather than the means.
  - E. Production tasks are reduced to a set of routine procedures that lead to quality control problems.
57. In the context of classical approaches to management, critics believed that one result of the \_\_\_\_ approach—a belief that a happy worker was a productive worker—was too simplistic.
- A. scientific management
  - B. systematic management
  - C. bureaucratic
  - D. human relations
  - E. administrative management
58. In the context of classical approaches to management, the \_\_\_\_ approach was a significant step in the development of management thought because it prompted managers and researchers to consider the psychological and social factors that influence performance.
- A. systematic management
  - B. administrative management
  - C. bureaucratic
  - D. scientific management
  - E. human relations

59. Which of the following is a contemporary approach to management?

- A. Scientific management
- B. Human relations
- C. Administrative management
- D. Systematic management
- E. Quantitative management

60. In the context of contemporary approaches to management, the \_\_\_\_ theory was developed in the early 1950s by researchers from the London-based Tavistock Institute of Human Relations.

- A. contingency perspective
- B. quantitative management
- C. human relations
- D. sociotechnical systems
- E. organizational behavior

61. In the context of contemporary approaches to management, research on \_\_\_\_ promoted the use of teamwork and semiautonomous work groups as important factors for creating efficient production systems.

- A. organizational behavior
- B. quantitative management
- C. sociotechnical systems theory
- D. human relations
- E. administrative management

62. Which of the following is true of the sociotechnical systems theory?

- A. Most organizations did not adopt the sociotechnical systems theory for management problems until the 1940s and 1950s.
- B. It was the first major approach to emphasize informal work relationships and worker satisfaction.
- C. It was put into action in the late 1980s and 1990s when each of the large U.S. automakers created cooperative ventures with the major Japanese automakers.
- D. It emphasized the perspective of senior managers within the organization.
- E. It emphasized a structured, formal network of relationships among specialized positions in an organization.

63. In the context of contemporary approaches to management, managers may use \_\_\_\_ to compare alternatives and eliminate weaker options.

- A. quantitative management
- B. organizational behavior
- C. sociotechnical systems theory
- D. contingency perspective
- E. administrative management

64. Which of the following is an explanation that accounts for the limited use of quantitative management?

- A. It is difficult to discontinue the use of this process once it has been established.
- B. Many of the decisions managers face are nonroutine and unpredictable.
- C. Managers are oriented more toward things than toward people.
- D. Most managers are not aware of the pressing concerns of their job.
- E. Management decisions are unsystematic.

65. In the context of contemporary approaches to management, the use of \_\_\_\_ has been limited because many aspects of a management decision cannot be expressed through mathematical symbols and formulas.
- A. organizational behavior
  - B. systematic management
  - C. quantitative management
  - D. human relations
  - E. administrative management
66. \_\_\_\_ is a contemporary management approach that studies and identifies management activities that promote employee effectiveness by examining the complex and dynamic nature of individual, group, and organizational processes.
- A. Quantitative management
  - B. Organizational behavior
  - C. Systems theory
  - D. Contingency perspective
  - E. Sociotechnical systems theory

67. A manager assume workers are lazy and irresponsible and require constant supervision and external motivation to achieve organizational goals. Which of the following theories of management does the manager subscribe to?

- A. Theory X
- B. Sociotechnical systems
- C. Bureaucracy
- D. Human relations
- E. Systems theory

68. When a manager treats employees as lazy, unmotivated, and in need of tight supervision; then the employees eventually meet the manager's expectations by acting that way. According to Douglas McGregor, this is known as a:

- A. contingency.
- B. an open system.
- C. physiological need.
- D. self-fulfilling prophecy.
- E. bureaucratic approach.

69. McGregor advocated a \_\_\_\_, suggesting that managers who encourage participation and allow opportunities for individual challenge and initiative would achieve superior performance.

- A. bureaucratic approach
- B. Theory Y perspective
- C. Theory X perspective
- D. human relations approach
- E. contingency perspective

70. \_\_\_\_, a major organizational behaviorist, recommended greater autonomy and better jobs for workers.

- A. Rensis Likert
- B. Douglas McGregor
- C. Michael Porter
- D. Jim Collins
- E. Chris Argyris

71. In the context of organizational behavior, \_\_\_\_ stressed the value of participative management.

- A. Chris Argyris
- B. Adam Smith
- C. Henri Fayol
- D. Rensis Likert
- E. Peter Drucker

72. Which of the following is a criticism of the classical approaches to management?

- A. The relationship between the organization and its external environment is ignored.
- B. Most managers are not trained to use these techniques.
- C. Many aspects of a management decision cannot be expressed through mathematical symbols and formulas.
- D. Many of the decisions managers face are nonroutine and unpredictable.
- E. There is only "one best way" to manage and organize because circumstances vary.

73. In the context of the systems theory, human resources, capital, and raw material are examples of \_\_\_\_.

- A. contingencies
- B. inputs
- C. economies
- D. control systems
- E. outputs

74. The \_\_\_\_ refutes universal principles of management by stating that a variety of factors, both internal and external to the firm, may affect the organization's performance.

- A. contingency perspective
- B. scientific management approach
- C. human relations approach
- D. organizational behavior approach
- E. sociotechnical systems theory

75. In the context of the systems theory, factors that determine the appropriateness of managerial actions are known as \_\_\_\_.

- A. systems
- B. resources
- C. tasks
- D. inventories
- E. contingencies

76. In the context of the systems theory, understanding \_\_\_\_ helps a manager know which sets of circumstances dictate which management actions.
- A. inputs
  - B. physical needs
  - C. economies
  - D. contingencies
  - E. outputs
77. The values, goals, skills, and attitudes of managers and workers in the organization are examples of \_\_\_\_.
- A. economies
  - B. outputs
  - C. physical needs
  - D. tasks
  - E. contingencies
78. In the context of modern contributors, \_\_\_\_ discovered that great companies are managed by "level 5 leaders" who often display humility while simultaneously inspiring those in the organization to apply self-discipline and self-responsibility while pursuing high standards.
- A. Jim Collins
  - B. Jack Welch
  - C. Herb Kelleher
  - D. Michael Porter
  - E. Gary Hamel

79. The ex-CEO of General Electric, \_\_\_\_\_, is widely viewed as having mastered "all of the critical aspects of leadership: people, process, strategy and structure."

- A. Jim Collins
- B. Jack Welch
- C. Gary Hamel
- D. Peter Drucker
- E. Peter Senge

80. Who is sometimes criticized for his controversial practices such as selling off underperforming divisions and forced rankings of employees by performance?

- A. Sam Walton
- B. Gary Hamel
- C. Jack Welch
- D. Herb Kelleher
- E. Jim Collins

81. *Competitive Strategy: Creating and Sustaining Superior Performance* is a book written by \_\_\_\_\_, a Professor at Harvard University, who is an influential expert on competitive strategy.

- A. Lou Gerstner
- B. Sam Walton
- C. Jack Welch
- D. Jim Collins
- E. Michael Porter

82. \_\_\_\_, Professor at Harvard University, has published an influential research article titled "The Five Competitive Forces That Shape Strategy."

- A. Michael Porter
- B. Gary Hamel
- C. Sam Walton
- D. Jim Collins
- E. Peter Senge

83. \_\_\_\_, written by Gary Hamel, was selected by Amazon.com as the best business book of 2007.

- A. *Managing Across Borders: The Transnational Solution*
- B. *In Search of Excellence*
- C. *The Fifth Dimension: The Art and Practice of the Learning Organization*
- D. *The Future of Management*
- E. *Good to Great*

84. Which of the following is the title of an influential article published by Gary Hamel?

- A. "What is Strategy?"
- B. "The Core Competence of the Corporation"
- C. "The Five Competitive Forces That Shape Strategy"
- D. "The Competitive Advantage of Nations"
- E. "Strategy and the Internet"

85. In the context of modern contributors, one of the major contributions of \_\_\_\_ was the need for organizations to set clear objectives and establish the means of evaluating progress toward those objectives.

- A. Gary Hamel
- B. Jim Collins
- C. Jack Welch
- D. Sam Walton
- E. Peter Drucker

86. In the context of modern contributors, \_\_\_\_ championed several ideas that continue to be influential to this day, including decentralization, employees as assets (not liabilities), corporation as a human community, and the importance of knowledge workers in the new information economy.

- A. Michael Porter
- B. Peter Drucker
- C. Sumatra Ghoshal
- D. Stephen Covey
- E. Thomas J. Peters

87. The book *Managing Across Borders: The Transnational Solution* written by \_\_\_\_ with coauthor Sumatra Ghoshal was named by the *Financial Times* as one of the 50 most influential business books of the 20th century.
- A. Christopher A. Bartlett
  - B. Stephen Covey
  - C. Peter Senge
  - D. Gary Hamel
  - E. Robert H. Waterman
88. Thomas J. Peters and Robert H. Waterman wrote the best-selling book \_\_\_\_, which urged U.S. firms to fight their competition by refocusing their business strategies on several drivers of success: people, customers, values, culture, action, and an entrepreneurial spirit.
- A. *Good to Great*
  - B. *The Future of Management*
  - C. *The Fifth Dimension: The Art and Practice of the Learning Organization*
  - D. *Managing Across Borders: The Transnational Solution*
  - E. *In Search of Excellence*

89. In his book the *Seven Habits of Highly Effective People: Powerful Lessons in Personal Change*, Stephen Covey:

- A. analyzed 1,435 companies to understand why some companies reach high levels of sustained performance while other companies fail to reach greatness.
- B. discussed “management by objective” (MBO), by which a manager should be self-driven to accomplish key goals that link to organizational success.
- C. focused on the strategic and organizational challenges confronting managers in multinational corporations.
- D. discussed how a leader’s success hinges on balancing between personal and professional effectiveness.
- E. urged U.S. firms to fight their competition by refocusing their business strategies on several drivers of success: people, customers, values, culture, action, and an entrepreneurial spirit.

90. In the context of managerial approaches, which of the following is true of change?

- A. The best managers today embrace change by drawing on classic managerial approaches.
- B. If one does not anticipate change and adapt to it, one’s firm will not thrive in a competitive business environment.
- C. Management knowledge and practices remain constant in the face of change.
- D. Change prevents businesses from achieving greater quality and speed.
- E. Change is happening at a slower rate than at any other time in history.

## Essay Questions

91. Describe the systematic approach to management in brief.

92. What are the four principles of scientific management as identified by Frederick Taylor?

93. In the context of Frederick Taylor's theory of scientific management, describe time-and-motion studies and the differential piece-rate system.

94. In the context of scientific management, what was Henry L. Gantt's contribution?

95. What are the shortcomings of Max Weber's bureaucratic approach to management?

96. In the context of administrative management, list and define Henri Fayol's 14 principles of management.

97. In the context of the human relations approach to management, describe the Hawthorne studies and the Hawthorne Effect.

98. In the context of contemporary approaches to management, write a short note on quantitative management.

99. Write a brief note on Douglas McGregor's Theory X and Theory Y.

100. Describe the systems theory approach to management and the contingency approach.

Scenario A. Use the information given below to answer the following questions. Sarah, a manager in a company, had to complete an important project that had a “near impossible” deadline. Instead of assuming that offering financial incentives would be the best way to get the work done, she devoted some time to understand what motivated each of her team members to work harder. She found that some people craved recognition more than money, whereas others wanted more influence in the organization. With this information, she was able to offer the right incentive to each person. As a result, her team was able to meet the deadline.

### Multiple Choice Questions

101. In the context of the above scenario, which of the following approaches to management does Sarah subscribe to?

- A. Hawthorne Effect
- B. Contingency perspective
- C. Centralization
- D. Bureaucracy
- E. Economies of scale

102. In the context of the above scenario, which of the following is true of Sarah's beliefs?

- A. Managers should be oriented more toward things than toward people.
- B. A pay system in which workers were paid additional wages when they exceeded a standard level of output for each job should be implemented.
- C. Managers may ignore appropriate rules and regulations.
- D. A piece-rate system will motivate supervisors to provide extra attention to struggling workers.
- E. There is no "one best way" to manage and organize because circumstances vary.

Scenario B. Use the information given below to answer the following questions. Wilson, an employee at Pinnacle Corp., was facing a problem with a coworker. He decided to report his coworker's misbehavior to the department manager, instead of his immediate supervisor. However, he was instructed to consult his supervisor first and solve the matter, if possible. He was advised to raise the matter with the higher authorities only if his supervisor could not settle it.

## Multiple Choice Questions

103. In the context of the above scenario, which of the following approaches to management does Pinnacle Corp. follow?

- A. Scientific management
- B. Human relations
- C. Quantitative management
- D. Bureaucracy
- E. Sociotechnical systems theory

104. In the context of the above scenario, which of the following is true of the organizational structure of Pinnacle Corp.?

- A. Employee loyalty and longevity is promoted.
- B. A unity of interests between employees and management is promoted.
- C. Employees are encouraged to act on their own in support of the organization's direction.
- D. A chain of command or hierarchy is well established.
- E. Efforts that support the organization's direction are systematically rewarded.

Scenario C. Use the information given below to answer the following questions. Karen, an intelligent, enthusiastic, and hardworking person, recently joined a company. Despite working well, she was constantly yelled at by her manager. In addition, her manager expected her to submit a report of her activities at the end of each day. He also checked on Karen at frequent intervals during the day to see how her work was progressing. After a few months of such treatment, Karen began to lose interest in her work. She began to frequently miss deadlines and the quality of her work deteriorated.

### Multiple Choice Questions

105. In the context of the above scenario, which of the following principles of management does Karen's manager believe in?

- A. Scientific management
- B. Douglas McGregor's Theory X
- C. Abraham Maslow's Hierarchy of Needs theory
- D. Henri Fayol's principle of esprit de corps
- E. Systematic management

106. In the context of the above scenario, the phenomenon in which Karen meets her manager's expectations by behaving in an irresponsible manner is known as a(n):

- A. self-fulfilling prophecy.
- B. contingency.
- C. administrative effect.
- D. flexible process.
- E. economy of scale.

## Chapter 02 The Evolution of Management Answer Key

### True / False Questions

1. In the context of the origins of management, Wu Qi, a Chinese general, discussed the importance of planning and leading in his book *The Art of War*.  
(p. 26)

**FALSE**

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 1 Easy*

*Topic: Origins of Management*

2. Around AD 1436, the Sumerians standardized production through the use of an assembly line, building warehouses and using an inventory system to monitor the contents.  
(p. 27)

**FALSE**

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 1 Easy*

*Topic: Origins of Management*

3. In the context of the origins of management, throughout history, most managers operated by a trial-and-error basis.  
(p. 27)

TRUE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 1 Easy*

*Topic: Origins of Management*

4. In the context of the origins of management, the emergence of the Hawthorne Effect drove managers to strive for further growth.  
(p. 27)

FALSE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 2 Medium*

*Topic: Origins of Management*

5. The opportunities for mass production created by the industrial revolution spawned intense and systematic thought about management problems and issues.  
(p. 27)

TRUE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 2 Medium*

*Topic: Origins of Management*

6. Toward the end of the industrial revolution, bureaucracy emerged as a formal discipline.

(p. 27)

**FALSE**

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 2 Medium*

*Topic: Origins of Management*

7. The evolution of management thought is divided into two major sections: classical approaches

(p. 27) and contemporary approaches.

**TRUE**

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 1 Easy*

*Topic: The Evolution of Management*

8. In the context of the classical approaches to management, the systematic management

(p. 28) approach led to widespread production efficiency.

**FALSE**

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

9. Scientific management emphasized internal operations because managers were concerned  
(p. 28) primarily with meeting the explosive growth in demand brought about by the industrial  
revolution.

FALSE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

10. Adam Smith introduced the scientific management approach in response to the failure of  
(p. 28-29) systematic management to bring about widespread production efficiency.

FALSE

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

11. In the context of scientific management, a key element of Frederick Taylor's approach was the  
(p. 29) principle of *esprit de corps*, that refers to promoting a unity of interests between employees  
and management.

FALSE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

12. In the context of scientific management, Lillian Gilbreth focused on the human side of  
(p. 30) management and was interested in how job satisfaction motivated employees.

TRUE

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

13. According to Max Weber, bureaucratic positions foster specialized skills, eliminating many  
(p. 31) subjective judgments by managers.

TRUE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

14. One of the fourteen principles of management identified by Henri Fayol was the subordination  
(p. 32) of individual interest to the general interest.

TRUE

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

15. In the context of the human relations approach to management, Abraham Maslow argued that  
(p. 34) people try to satisfy their lower-level needs and then progress upward to the higher-level needs.

TRUE

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

16. The human relations approach to management ignored the more rational side of the worker  
(p. 35) and the important characteristics of the formal organization.

TRUE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

17. In the context of contemporary approaches to management, sociotechnical systems theory  
(p. 35) helps a manager make a decision by developing formal mathematical models of the problem.

FALSE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

18. In the context of contemporary approaches to management, research on sociotechnical systems theory was a precursor to the total quality management (TQM) movement.  
(p. 35)

TRUE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

19. In the context of contemporary approaches to management, managers do not rely on the methods of quantitative management as the primary approach to decision making.  
(p. 35)

TRUE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

20. In the context of contemporary approaches to management, many aspects of a management decision cannot be expressed through mathematical symbols and formulas.  
(p. 35)

TRUE

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

21. In the context of Douglas McGregor's Theory X and Theory Y, an important implication for  
(p. 36) managers who subscribe to Theory X subscribe to Theory X is known as a contingency.

**FALSE**

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

22. According to the contingency perspective, there is only "one best way" to manage and  
(p. 36) organize.

**FALSE**

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

23. Understanding contingencies helps a manager know which sets of circumstances dictate which  
(p. 36) management actions.

**TRUE**

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

24. In the context of modern contributors, Jim Collins discovered that “level 5 leaders” often leave  
(p. 37) enduring legacies without drawing a lot of attention to themselves.

**TRUE**

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

25. Peter Drucker, a respected management guru, was the first person to discuss “management by  
(p. 38) objective” (MBO), by which a manager should be self-driven to accomplish key goals that link to organizational success.

**TRUE**

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

26. The book *In Search of Excellence* discussed how a leader’s success hinges on balancing  
(p. 38) between personal and professional effectiveness.

**FALSE**

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

27. Christopher A. Bartlett championed several ideas that continue to be influential to this day,  
(p. 38) including decentralization, employees as assets, corporation as a human community, and the importance of knowledge workers in the new information economy.

FALSE

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

28. Peter Senge of MIT Sloan School of Management founded the "Society of Organizational  
(p. 38) Learning."

TRUE

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

29. If one does not anticipate change and adapt to it, one's firm will not thrive in a competitive  
(p. 39) business world.

TRUE

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: An Eye on the Future*

30. Change continually creates both new opportunities and new demands for lowering costs and  
(p. 39) for achieving greater innovation, quality, and speed.

**TRUE**

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: An Eye on the Future*

## Multiple Choice Questions

31. In 1776, \_\_\_\_ discussed control and the principle of specialization with regard to manufacturing  
(p. 27) workers.

- A. Douglas McGregor
- B. Max Weber
- C. Frederick Taylor
- D. Abraham Maslow
- E. Adam Smith**

In 1776 Adam Smith discussed control and the principle of specialization with regard to manufacturing workers.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 1 Easy*

*Topic: Origins of Management*

32. \_\_\_\_ refer(s) to reductions in the average cost of a unit of production as the total volume (p. 27) produces increases.

- A. Sociotechnical systems
- B. Bureaucracy
- C. Systematic management
- D. Economies of scale
- E. Quantitative management

The emergence of economies of scale—reductions in the average cost of a unit of production as the total volume produced increases—drove managers to strive for further growth.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 1 Easy*

*Topic: Origins of Management*

33. \_\_\_\_\_, one of the first university programs to offer management and business education, was  
(p. 27) founded in the late 19th century.

- A. Harvard Business School at Harvard University
- B. The Wharton School at the University of Pennsylvania**
- C. Stanford Graduate School of Business at Stanford University
- D. MIT Sloan School of Management at the Massachusetts Institute of Technology
- E. Kellogg School of Management at Northwestern University

The first university programs to offer management and business education, the Wharton School at the University of Pennsylvania and the Amos Tuck School at Dartmouth, were founded in the late 19th century.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 1 Easy*

*Topic: Origins of Management*

34. \_\_\_\_ is a classical management approach that attempted to build into operations the specific  
(p. 28) procedures and processes that would ensure coordination of effort to achieve established goals and plans.

- A. Scientific management
- B. Administrative management
- C. Systematic management
- D. Human relations
- E. Bureaucracy

The systematic management approach attempted to build specific procedures and processes into operations to ensure coordination of effort.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

35. \_\_\_\_ introduced the scientific management approach that advocated the application of scientific methods to analyze work and to determine how to complete production tasks efficiently.

- A. Frederick Taylor
- B. Henry L. Gantt
- C. Lillian M. Gilbreth
- D. Max Weber
- E. Henri Fayol

Frederick Taylor introduced an approach to management, known as scientific management. This approach advocated the application of scientific methods to analyze work and to determine how to complete production tasks efficiently.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

36. In the context of scientific management, which of the following is true of Frederick Taylor's (p. 29) contributions?

- A. Taylor believed that supervisors would be motivated to provide training to underperforming workers.
- B. Taylor created the Gantt chart, which helps managers plan projects by task and time to complete those tasks.
- C. Taylor developed a system to lower costs and increase worker productivity by showing how employees could work smarter, not harder.
- D. Taylor eventually focused less on the technical and more on the human side of management.
- E. Taylor advocated the use of the differential piecerate system.

A key element of Taylor's approach was the use of the differential piecerate system.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

37. In the context of scientific management, critics claimed that:

(p. 37)

- A. organizations that need rapid decision making and flexibility may suffer with this approach.
- B. managers may ignore appropriate rules and regulations.
- C. managers were not trained to apply the principles of the theory.
- D. too much authority may be vested in too few people.
- E. it did not help managers deal with broader external issues such as government regulations.

Not everyone was convinced that scientific management was the best solution to all business problems. Although scientific management resulted in intense scrutiny of the internal efficiency of organizations, it did not help managers deal with broader external issues such as competitors and government regulations, especially at the senior management level.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

38. In the context of classical approaches to management, \_\_\_\_ believed bureaucratic structures (p. 37) can eliminate the variability that results when managers in the same organization have different skills, experiences, and goals.

- A. Peter Drucker
- B. Henri Fayol
- C. Mary Follett
- D. Lillian Gilbreth
- E. Max Weber

Weber believed bureaucratic structures can eliminate the variability that results when managers in the same organization have different skills, experiences, and goals.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

39. Which of the following is a drawback of the bureaucratic approach to management?

(p. 31)

- A. Production tasks were reduced to machine-like movements that led to boredom.
- B. The approach did not help managers deal with competitors and government regulations.
- C. Some people did not perform their best with excessive rules and regulations.
- D. The approach emphasized only money as a worker incentive.
- E. Management decisions were unsystematic.

Organizations or departments that need rapid decision making and flexibility may suffer under a bureaucratic approach. Some people may not perform their best with excessive bureaucratic rules and procedures.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

40. In the context of Henri Fayol's 14 principles of management, \_\_\_\_ refers to promoting a unity of

(p. 32) interests between employees and management.

- A. initiative
- B. esprit de corps
- C. centralization
- D. subordination
- E. stability

Esprit de corps refers to promotion of a unity of interests between employees and management.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

41. In the context of administrative management, \_\_\_\_ wrote the book *Dynamic Administration*,  
(p. 32) which emphasized the continually changing situations that managers face.

- A. Lillian Gilbreth
- B. Adam Smith
- C. Henri Fayol
- D. Max Weber
- E. Mary Parker Follett

Mary Parker Follett's 1942 book *Dynamic Administration* extended Barnard's work by emphasizing the continually changing situations that managers face.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

42. Which of the following is one of Henri Fayol's 14 principles of management?

(p. 32)

- A. Qualifications
- B. Ownership
- C. Rules and controls
- D. Scalar chain
- E. Adaptation

An explicit and broad framework for administrative management emerged in 1916, when Henri Fayol, a French mining engineer and executive, published a book summarizing his management experiences. Fayol identified five functions and 14 principles of management. The 14 principles of management are: division of work, authority, discipline, unity of command, unity of direction, subordination of individual interest to the general interest, remuneration, centralization, scalar chain, order, equity, stability and tenure of personnel, initiative, and esprit de corps.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

43. Which of the following is one of the five functions of management as identified by Henri (p. 32) Fayol?

- A. Commanding
- B. Adapting
- C. Rewarding
- D. Recognizing
- E. Advancing

Fayol identified five functions and 14 principles of management. The five functions are planning, organizing, commanding, coordinating, and controlling.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

44. Who contributed two key principles—the notion that managers desire flexibility and the  
(p. 32) differences between motivating groups and individuals—to administrative management?

- A. Lillian Gilbreth
- B. Chester Barnard
- C. Mary Parker Follett
- D. Henri Fayol
- E. Frederick Taylor

Mary Parker Follett's 1942 book *Dynamic Administration* extended Barnard's work by emphasizing the continually changing situations that managers face. Two of her key contributions—the notion that managers desire flexibility and the differences between motivating groups and individuals—laid the groundwork for the modern contingency approach.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

45. In the context of classical approaches to management, the \_\_\_\_ approach aimed at  
(p. 33) understanding how psychological and social processes interact with the work situation to influence performance.

- A. scientific management
- B. systematic management
- C. administrative management
- D. human relations
- E. bureaucracy

A fourth approach to management, human relations, developed during the 1930s. This approach aimed at understanding how psychological and social processes interact with the work situation to influence performance.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

46. The \_\_\_\_ were a series of experiments conducted from 1924 to 1932 to investigate the influence of physical working conditions on workers' productivity and efficiency.

- A. Michigan Leadership Studies
- B. Johari Window
- C. Hawthorne Studies
- D. Forming-Storming Model
- E. Hierarchy of Needs

Western Electric Company, a manufacturer of communications equipment, hired a team of Harvard researchers led by Elton Mayo and Fritz Roethlisberger. They were to investigate the influence of physical working conditions on workers' productivity and efficiency in one of the company's factories outside Chicago. This research project, known as the Hawthorne Studies, provided some of the most interesting and controversial results in the history of management. The Hawthorne Studies were a series of experiments conducted from 1924 to 1932.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-01 Describe the origins of management practice and its early concepts and influences.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

47. In the context of the human relations approach to management, after conducting the four stages of the \_\_\_\_\_, Mayo and his team eventually concluded that productivity and employee behavior were influenced by the informal work group.

- (p. 33)
- A. Hawthorne Studies
  - B. Michigan Leadership Studies
  - C. Blake and Mouton Managerial Grid
  - D. Johari Window
  - E. Novelty Studies

The Hawthorne Studies were a series of experiments conducted from 1924 to 1932. The researchers concluded that the workers performed and reacted differently because the researchers were observing them. This conclusion led the researchers to believe productivity may be affected more by psychological and social factors than by physical or objective influences. With this thought in mind, they initiated the other four stages of the project. Mayo and his team eventually concluded that productivity and employee behavior were influenced by the informal work group.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

48. In the context of classical approaches to management, proponents of the \_\_\_\_ approach argued  
(p. 33) that managers should stress primarily employee welfare, motivation, and communication.

- A. scientific management
- B. systematic management
- C. human relations
- D. administrative management
- E. bureaucracy

Human relations proponents argued that managers should stress primarily employee welfare, motivation, and communication.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

49. In the context of classical approaches to management, which of the following is a principle of the human relations approach?

- A. Scientific methods should be applied to analyze work.
- B. Social needs have precedence over economic needs.**
- C. Management should cooperate with workers to ensure that jobs match plans.
- D. Wasteful movements can be identified and removed to increase productivity.
- E. Management is a profession and can be taught.

Human relations proponents argued that managers should stress primarily employee welfare, motivation, and communication. They believed social needs had precedence over economic needs.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

50. Which classical approach to management advocates that management must gain the cooperation of the group and promote job satisfaction and group norms consistent with the goals of the organization?

(p. 33)

- A. Systematic management
- B. Scientific management
- C. Bureaucracy
- D. Administrative management
- E. Human relations

Human relations proponents argued that managers should stress primarily employee welfare, motivation, and communication. They believed social needs had precedence over economic needs. Therefore, management must gain the cooperation of the group and promote job satisfaction and group norms consistent with the goals of the organization.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

51. Which of the following is true of Abraham Maslow's contribution to the field of human  
(p. 33) relations?

- A. He emphasized maintenance of inventories to meet consumer demand.
- B. He was concerned with meeting the explosive growth in demand brought about by the industrial revolution.
- C. He suggested that humans have five levels of needs.
- D. He concluded that management decisions were unsystematic.
- E. He advocated the application of scientific methods to analyze work.

Another noted contributor to the field of human relations was Abraham Maslow. In 1943 Maslow suggested that humans have five levels of needs.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

52. According to Abraham Maslow, the most advanced human need is for:

(p. 33-

34)

- A. esteem.
- B. love or belonging.
- C. self-actualization.
- D. safety.
- E. the body.

Another noted contributor to the field of human relations was Abraham Maslow. In 1943 Maslow suggested that humans have five levels of needs. The most basic needs are the physical needs for food, water, and shelter; the most advanced need is for self-actualization, or personal fulfillment.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

53. Abraham Maslow suggested that the most basic human need(s) is/are the:

(p. 33)

- A. physical needs.
- B. safety needs.
- C. need for personal fulfillment.
- D. need for love and belonging.
- E. need for esteem.

Another noted contributor to the field of human relations was Abraham Maslow. In 1943 Maslow suggested that humans have five levels of needs. The most basic needs are the physical needs for food, water, and shelter; the most advanced need is for self-actualization, or personal fulfillment.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

54. In the context of the human relations approach to management, \_\_\_\_ argued that people try to  
(p. 34) satisfy their lower-level needs and then progress upward to the higher-level needs.

- A. Elton Mayo
- B. William Procter
- C. Frederick Taylor
- D. Abraham Maslow
- E. Fritz Roethlisberger

Maslow argued that people try to satisfy their lower-level needs and then progress upward to the higher-level needs.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

55. In the context of classical approaches to management, \_\_\_\_ suggested that managers can  
(p. 34) facilitate the process of moving to higher-level needs after satisfaction of lower-level needs,  
and achieve organizational goals by removing obstacles and encouraging behaviors that satisfy  
people's needs and organizational goals simultaneously.

- A. Henri Fayol
- B.** Abraham Maslow
- C. Elton Mayo
- D. Fritz Roethlisberger
- E. Mary Parker Follett

Maslow argued that people try to satisfy their lower-level needs and then progress upward to the higher-level needs. Managers can facilitate this process and achieve organizational goals by removing obstacles and encouraging behaviors that satisfy people's needs and organizational goals simultaneously.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

56. Which of the following is a criticism of the human relations approach to management?

(p. 35)

- A. Too much authority may be vested in too few people.
- B. Managers may ignore appropriate rules and regulations.
- C. The important characteristics of the formal organization are ignored.
- D. Procedures may become the ends rather than the means.
- E. Production tasks are reduced to a set of routine procedures that lead to quality control problems.

Human relations ignored the more rational side of the worker and the important characteristics of the formal organization.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

57. In the context of classical approaches to management, critics believed that one result of the

(p. 35) \_\_\_\_ approach—a belief that a happy worker was a productive worker—was too simplistic.

- A. scientific management
- B. systematic management
- C. bureaucratic
- D. human relations
- E. administrative management

Critics believed that one result of human relations—a belief that a happy worker was a productive worker—was too simplistic.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

58. In the context of classical approaches to management, the \_\_\_\_ approach was a significant step (p. 35) in the development of management thought because it prompted managers and researchers to consider the psychological and social factors that influence performance.

- A. systematic management
- B. administrative management
- C. bureaucratic
- D. scientific management
- E. human relations

Human relations was a significant step in the development of management thought because it prompted managers and researchers to consider the psychological and social factors that influence performance.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

59. Which of the following is a contemporary approach to management?

(p. 35)

- A. Scientific management
- B. Human relations
- C. Administrative management
- D. Systematic management
- E. Quantitative management

The contemporary approaches to management include sociotechnical systems theory, quantitative management, organizational behavior, and systems theory.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

60. In the context of contemporary approaches to management, the \_\_\_\_ theory was developed in  
(p. 35) the early 1950s by researchers from the London-based Tavistock Institute of Human Relations.

- A. contingency perspective
- B. quantitative management
- C. human relations
- D. sociotechnical systems
- E. organizational behavior

Developed in the early 1950s by researchers from the London-based Tavistock Institute of Human Relations, sociotechnical systems theory explained how important it was to understand how coal miners' social behaviors interacted with the technical production system of their organizations.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

61. In the context of contemporary approaches to management, research on \_\_\_\_ promoted the use of teamwork and semiautonomous work groups as important factors for creating efficient production systems.

(p. 35)

- A. organizational behavior
- B. quantitative management
- C. sociotechnical systems theory
- D. human relations
- E. administrative management

While research on sociotechnical systems theory was a precursor to the total quality management (TQM) movement, it also promoted the use of teamwork and semiautonomous work groups as important factors for creating efficient production systems.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

62. Which of the following is true of the sociotechnical systems theory?

(p. 35)

- A. Most organizations did not adopt the sociotechnical systems theory for management problems until the 1940s and 1950s.
- B. It was the first major approach to emphasize informal work relationships and worker satisfaction.
- C. It was put into action in the late 1980s and 1990s when each of the large U.S. automakers created cooperative ventures with the major Japanese automakers.
- D. It emphasized the perspective of senior managers within the organization.
- E. It emphasized a structured, formal network of relationships among specialized positions in an organization.

Sociotechnical systems theory was put into action back in the late 1980s and 1990s when each of the large U.S. automakers—General Motors, Ford, and Chrysler—created cooperative ventures with the major Japanese automakers.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

63. In the context of contemporary approaches to management, managers may use \_\_\_\_ to  
(p. 35) compare alternatives and eliminate weaker options.

- A. quantitative management
- B. organizational behavior
- C. sociotechnical systems theory
- D. contingency perspective
- E. administrative management

Despite the promise quantitative management holds, managers do not rely on these methods as the primary approach to decision making. Typically they use these techniques as a supplement or tool in the decision process. Many managers will use results that are consistent with their experience, intuition, and judgment, but they often reject results that contradict their beliefs. Also, managers may use the process to compare alternatives and eliminate weaker options.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

64. Which of the following is an explanation that accounts for the limited use of quantitative  
(p. 35) management?

- A. It is difficult to discontinue the use of this process once it has been established.
- B.** Many of the decisions managers face are nonroutine and unpredictable.
- C. Managers are oriented more toward things than toward people.
- D. Most managers are not aware of the pressing concerns of their job.
- E. Management decisions are unsystematic.

Several explanations account for the limited use of quantitative management. Many managers have not been trained in using these techniques. Also, many aspects of a management decision cannot be expressed through mathematical symbols and formulas. Finally, many of the decisions managers face are nonroutine and unpredictable.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

65. In the context of contemporary approaches to management, the use of \_\_\_\_ has been limited (p. 35) because many aspects of a management decision cannot be expressed through mathematical symbols and formulas.

- A. organizational behavior
- B. systematic management
- C. quantitative management
- D. human relations
- E. administrative management

Several explanations account for the limited use of quantitative management. Many managers have not been trained in using these techniques. Also, many aspects of a management decision cannot be expressed through mathematical symbols and formulas. Finally, many of the decisions managers face are nonroutine and unpredictable.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

66. \_\_\_\_ is a contemporary management approach that studies and identifies management activities that promote employee effectiveness by examining the complex and dynamic nature of individual, group, and organizational processes.

- A. Quantitative management
- B. Organizational behavior**
- C. Systems theory
- D. Contingency perspective
- E. Sociotechnical systems theory

Organizational behavior is a contemporary management approach that studies and identifies management activities that promote employee effectiveness by examining the complex and dynamic nature of individual, group, and organizational processes.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

67. A manager assume workers are lazy and irresponsible and require constant supervision and external motivation to achieve organizational goals. Which of the following theories of management does the manager subscribe to?

- A. Theory X
- B. Sociotechnical systems
- C. Bureaucracy
- D. Human relations
- E. Systems theory

According to McGregor, Theory X managers assume workers are lazy and irresponsible and require constant supervision and external motivation to achieve organizational goals.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

68. When a manager treats employees as lazy, unmotivated, and in need of tight supervision; then  
(p. 36) the employees eventually meet the manager's expectations by acting that way. According to  
Douglas McGregor, this is known as a:

- A. contingency.
- B. an open system.
- C. physiological need.
- D. self-fulfilling prophecy.
- E. bureaucratic approach.

An important implication for managers who subscribe to Theory X is known as a self-fulfilling prophecy. This occurs when a manager treats employees as lazy, unmotivated, and in need of tight supervision; then the employees eventually fulfill the manager's expectations by acting that way. This cycle can have several negative implications for managers, employees, and organizations.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

69. McGregor advocated a \_\_\_\_\_, suggesting that managers who encourage participation and allow opportunities for individual challenge and initiative would achieve superior performance.

- A. bureaucratic approach
- B. Theory Y perspective**
- C. Theory X perspective
- D. human relations approach
- E. contingency perspective

McGregor advocated a Theory Y perspective, suggesting that managers who encourage participation and allow opportunities for individual challenge and initiative would achieve superior performance.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

70. \_\_\_\_\_, a major organizational behaviorist, recommended greater autonomy and better jobs for  
(p. 36) workers.

- A. Rensis Likert
- B. Douglas McGregor
- C. Michael Porter
- D. Jim Collins
- E. Chris Argyris

A major organizational behaviorist includes Chris Argyris, who recommended greater autonomy and better jobs for workers.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

71. In the context of organizational behavior, \_\_\_\_\_ stressed the value of participative  
(p. 36) management.

- A. Chris Argyris
- B. Adam Smith
- C. Henri Fayol
- D. Rensis Likert
- E. Peter Drucker

A major organizational behaviorist includes Rensis Likert, who stressed the value of participative management.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

72. Which of the following is a criticism of the classical approaches to management?

*(p. 36)*

- A. The relationship between the organization and its external environment is ignored.
- B. Most managers are not trained to use these techniques.
- C. Many aspects of a management decision cannot be expressed through mathematical symbols and formulas.
- D. Many of the decisions managers face are nonroutine and unpredictable.
- E. There is only "one best way" to manage and organize because circumstances vary.

The classical approaches as a whole were criticized because they (1) ignored the relationship between the organization and its external environment and (2) usually stressed one aspect of the organization or its employees at the expense of other considerations.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

73. In the context of the systems theory, human resources, capital, and raw material are examples (p. 36) of \_\_\_\_.

- A. contingencies
- B. inputs**
- C. economies
- D. control systems
- E. outputs

Organizations are open systems, dependent on inputs from the outside world, such as raw materials, human resources, and capital.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

74. The \_\_\_\_ refutes universal principles of management by stating that a variety of factors, both  
(p. 36) internal and external to the firm, may affect the organization's performance.

- A. contingency perspective
- B. scientific management approach
- C. human relations approach
- D. organizational behavior approach
- E. sociotechnical systems theory

Building on systems theory ideas, the contingency perspective refutes universal principles of management by stating that a variety of factors, both internal and external to the firm, may affect the organization's performance.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

75. In the context of the systems theory, factors that determine the appropriateness of managerial  
(p. 36) actions are known as \_\_\_\_.

- A. systems
- B. resources
- C. tasks
- D. inventories
- E. contingencies

Contingencies are factors that determine the appropriateness of managerial actions.

Understanding contingencies helps a manager know which sets of circumstances dictate which management actions.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

76. In the context of the systems theory, understanding \_\_\_\_ helps a manager know which sets of  
(p. 36) circumstances dictate which management actions.

- A. inputs
- B. physical needs
- C. economies
- D. contingencies
- E. outputs

Contingencies are factors that determine the appropriateness of managerial actions.

Understanding contingencies helps a manager know which sets of circumstances dictate which management actions.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

77. The values, goals, skills, and attitudes of managers and workers in the organization are  
(p. 37) examples of \_\_\_\_.

- A. economies
- B. outputs
- C. physical needs
- D. tasks
- E. contingencies

Situational characteristics are called contingencies. The contingencies include:

- Circumstances in the organization's external environment.
- The internal strengths and weaknesses of the organization.
- The values, goals, skills, and attitudes of managers and workers in the organization.
- The types of tasks, resources, and technologies the organization uses.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Contemporary Approaches*

78. In the context of modern contributors, \_\_\_\_ discovered that great companies are managed by  
(p. 37) “level 5 leaders” who often display humility while simultaneously inspiring those in the organization to apply self-discipline and self-responsibility while pursuing high standards.

- A. Jim Collins
- B. Jack Welch
- C. Herb Kelleher
- D. Michael Porter
- E. Gary Hamel

In 2001 Jim Collins authored an influential book titled *Good to Great* in which he and his research team analyzed 1,435 companies to understand why some companies reach high levels of sustained performance while other companies fail to reach greatness. He discovered that great companies are managed by “level 5 leaders” who often display humility while simultaneously inspiring those in the organization to apply self-discipline and self-responsibility while pursuing high standards.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

79. The ex-CEO of General Electric, \_\_\_\_\_, is widely viewed as having mastered "all of the critical aspects of leadership: people, process, strategy and structure."  
(p. 37)

- A. Jim Collins
- B. Jack Welch**
- C. Gary Hamel
- D. Peter Drucker
- E. Peter Senge

Ex-CEO Jack Welch transformed General Electric from a \$13 billion company into a \$500 billion company over a 20-year period. He is widely viewed as having mastered "all of the critical aspects of leadership: people, process, strategy and structure."

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

80. Who is sometimes criticized for his controversial practices such as selling off underperforming divisions and forced rankings of employees by performance?  
(p. 37)

- A. Sam Walton
- B. Gary Hamel
- C. Jack Welch
- D. Herb Kelleher
- E. Jim Collins

Ex-CEO Jack Welch transformed General Electric from a \$13 billion company into a \$500 billion company over a 20-year period. He is sometimes criticized for his controversial practices (e.g., selling off underperforming divisions and forced rankings of employees by performance).

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

81. *Competitive Strategy: Creating and Sustaining Superior Performance* is a book written by \_\_\_\_\_,  
(p. 37) a Professor at Harvard University, who is an influential expert on competitive strategy.

- A. Lou Gerstner
- B. Sam Walton
- C. Jack Welch
- D. Jim Collins
- E. Michael Porter

Michael Porter, Professor at Harvard University, is a well-known and influential expert on competitive strategy. He has published over 125 research articles and 18 books on the subject and related areas, including *Competitive Strategy: Creating and Sustaining Superior Performance*.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

82. \_\_\_\_\_, Professor at Harvard University, has published an influential research article titled "The Five Competitive Forces That Shape Strategy."  
(p. 37)

- A. Michael Porter
- B. Gary Hamel
- C. Sam Walton
- D. Jim Collins
- E. Peter Senge

Michael Porter, Professor at Harvard University, is a well-known and influential expert on competitive strategy. He has published over 125 research articles and 18 books on the subject and related areas, including *Competitive Strategy: Creating and Sustaining Superior Performance*. Two of his influential research articles are titled "What Is Strategy?" and "The Five Competitive Forces That Shape Strategy."

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

83. \_\_\_\_\_, written by Gary Hamel, was selected by Amazon.com as the best business book of 2007.

(p. 38)

- A. *Managing Across Borders: The Transnational Solution*
- B. *In Search of Excellence*
- C. *The Fifth Dimension: The Art and Practice of the Learning Organization*
- D. *The Future of Management*
- E. *Good to Great*

Gary Hamel's most recent book, *The Future of Management*, was selected by Amazon.com as the best business book of 2007.

AACSB: Analytic

Blooms: Remember

Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.

Level of Difficulty: 1 Easy

Topic: Modern Contributors

84. Which of the following is the title of an influential article published by Gary Hamel?

(p. 38)

- A. "What is Strategy?"
- B. "The Core Competence of the Corporation"**
- C. "The Five Competitive Forces That Shape Strategy"
- D. "The Competitive Advantage of Nations"
- E. "Strategy and the Internet"

Gary Hamel, professor, consultant, and management educator, was recently ranked as the "world's most influential business thinker" by The Wall Street Journal. As a member of the London Business School faculty since 1983, Hamel has published numerous influential articles, including "The Core Competence of the Corporation" (with C.K. Prahalad) and "The Why, What, and How of Management Innovation."

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

85. In the context of modern contributors, one of the major contributions of \_\_\_\_ was the need for  
(p. 38) organizations to set clear objectives and establish the means of evaluating progress toward those objectives.

- A. Gary Hamel
- B. Jim Collins
- C. Jack Welch
- D. Sam Walton
- E. Peter Drucker

Peter Drucker was a respected management guru who, through his writings and consulting, made several lasting contributions to the practice of management. One of his major contributions was the need for organizations to set clear objectives and establish the means of evaluating progress toward those objectives.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

86. In the context of modern contributors, \_\_\_\_ championed several ideas that continue to be  
(p. 38) influential to this day, including decentralization, employees as assets (not liabilities),  
corporation as a human community, and the importance of knowledge workers in the new  
information economy.

- A. Michael Porter
- B.** Peter Drucker
- C. Sumatra Ghoshal
- D. Stephen Covey
- E. Thomas J. Peters

Peter Drucker also championed several ideas that continue to be influential to this day,  
including decentralization, employees as assets (not liabilities), corporation as a human  
community, and the importance of knowledge workers in the new information economy.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

87. The book *Managing Across Borders: The Transnational Solution* written by \_\_\_\_ with coauthor (p. 38) Sumatra Ghoshal was named by the *Financial Times* as one of the 50 most influential business books of the 20th century.

- A. Christopher A. Bartlett
- B. Stephen Covey
- C. Peter Senge
- D. Gary Hamel
- E. Robert H. Waterman

Christopher A. Bartlett of Harvard University has focused on the “strategic and organizational challenges confronting managers in multinational corporations.” With coauthor Sumatra Ghoshal, he wrote the influential *Managing Across Borders: The Transnational Solution* (1998), named by the *Financial Times* as one of the 50 most influential business books of the 20th century.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 1 Easy*

*Topic: Modern Contributors*

88. Thomas J. Peters and Robert H. Waterman wrote the best-selling book \_\_\_\_, which urged U.S. firms to fight their competition by refocusing their business strategies on several drivers of success: people, customers, values, culture, action, and an entrepreneurial spirit.

- A. *Good to Great*
- B. *The Future of Management*
- C. *The Fifth Dimension: The Art and Practice of the Learning Organization*
- D. *Managing Across Borders: The Transnational Solution*
- E. *In Search of Excellence*

In 1982 Thomas J. Peters and Robert H. Waterman wrote the best-selling book *In Search of Excellence*, which urged U.S. firms to fight their competition by refocusing their business strategies on several drivers of success: people, customers, values, culture, action, and an entrepreneurial spirit.

AACSB: Analytic

Blooms: Remember

Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.

Level of Difficulty: 1 Easy

Topic: Modern Contributors

89. In his book the *Seven Habits of Highly Effective People: Powerful Lessons in Personal Change*, (p. 38) Stephen Covey:

- A. analyzed 1,435 companies to understand why some companies reach high levels of sustained performance while other companies fail to reach greatness.
- B. discussed "management by objective" (MBO), by which a manager should be self-driven to accomplish key goals that link to organizational success.
- C. focused on the strategic and organizational challenges confronting managers in multinational corporations.
- D. discussed how a leader's success hinges on balancing between personal and professional effectiveness.
- E. urged U.S. firms to fight their competition by refocusing their business strategies on several drivers of success: people, customers, values, culture, action, and an entrepreneurial spirit.

In his 1990 best-selling book, the *Seven Habits of Highly Effective People: Powerful Lessons in Personal Change*, Stephen Covey discussed how a leader's success hinges on balancing between personal and professional effectiveness.

AACSB: Analytic

Blooms: Remember

Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.

Level of Difficulty: 1 Easy

Topic: Modern Contributors

90. In the context of managerial approaches, which of the following is true of change?

(p. 39)

- A. The best managers today embrace change by drawing on classic managerial approaches.
- B.** If one does not anticipate change and adapt to it, one's firm will not thrive in a competitive business environment.
- C. Management knowledge and practices remain constant in the face of change.
- D. Change prevents businesses from achieving greater quality and speed.
- E. Change is happening at a slower rate than at any other time in history.

The essential facts about change are these: First, change is happening more rapidly and dramatically than at any other time in history. Second, if you don't anticipate change and adapt to it, you and your firm will not thrive in a competitive business world.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-04 Identify modern contributors who have shaped management thought and practices.*

*Level of Difficulty: 2 Medium*

*Topic: An Eye on the Future*

## Essay Questions

91. Describe the systematic approach to management in brief.

(p. 28)

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

92. What are the four principles of scientific management as identified by Frederick Taylor?

(p. 29)

Taylor identified four principles of scientific management:

- Management should develop a precise, scientific approach for each element of one's work to replace general guidelines.
- Management should scientifically select, train, teach, and develop each worker so that the right person has the right job.
- Management should cooperate with workers to ensure that jobs match plans and principles.
- Management should ensure an appropriate division of work and responsibility between managers and workers.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

93. In the context of Frederick Taylor's theory of scientific management, describe time-and-motion

(p. 29) studies and the differential piece-rate system.

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

94. In the context of scientific management, what was Henry L. Gantt's contribution?

*(p. 29)*

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

95. What are the shortcomings of Max Weber's bureaucratic approach to management?

*(p. 31)*

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

96. In the context of administrative management, list and define Henri Fayol's 14 principles of management. (p. 32)

An explicit and broad framework for administrative management emerged in 1916, when Henri Fayol, a French mining engineer and executive, published a book summarizing his management experiences. Fayol identified five functions and 14 principles of management. The fourteen principles of management are:

- Division of work—divide work into specialized tasks and assign responsibilities to specific individuals.
- Authority—delegate authority along with responsibility.
- Discipline—make expectations clear and punish violations.
- Unity of command—each employee should be assigned to only one supervisor.
- Unity of direction—employees' efforts should be focused on achieving organizational objectives.
- Subordination of individual interest to the general interest— the general interest must predominate.
- Remuneration—systematically reward efforts that support the organization's direction.
- Centralization—determine the relative importance of superior and subordinate roles.
- Scalar chain—keep communications within the chain of command.
- Order—order jobs and material so they support the organization's direction.
- Equity—fair discipline and order enhance employee commitment.

- Stability and tenure of personnel—promote employee loyalty and longevity.
- Initiative—encourage employees to act on their own in support of the organization's direction.
- Esprit de corps—promote a unity of interests between employees and management.

*AACSB: Analytic*

*Blooms: Remember*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 1 Easy*

*Topic: Classical Approaches*

97. In the context of the human relations approach to management, describe the Hawthorne studies and the Hawthorne Effect.  
(p. 33)

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Classical Approaches*

98. In the context of contemporary approaches to management, write a short note on quantitative management.  
(p. 35)

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

99. Write a brief note on Douglas McGregor's Theory X and Theory Y.

(p. 36)

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

100. Describe the systems theory approach to management and the contingency approach.

(p. 36)

*AACSB: Analytic*

*Blooms: Understand*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 2 Medium*

*Topic: Contemporary Approaches*

Scenario A. Use the information given below to answer the following questions. Sarah, a manager in a company, had to complete an important project that had a "near impossible" deadline. Instead of assuming that offering financial incentives would be the best way to get the work done, she devoted some time to understand what motivated each of her team members to work harder. She found that some people craved recognition more than money, whereas others wanted more influence in the organization. With this information, she was able to offer the right incentive to each person. As a result, her team was able to meet the deadline.

## Multiple Choice Questions

101. In the context of the above scenario, which of the following approaches to management does (p. 36) Sarah subscribe to?

- A. Hawthorne Effect
- B. Contingency perspective**
- C. Centralization
- D. Bureaucracy
- E. Economies of scale

Building on systems theory ideas, the contingency perspective refutes universal principles of management by stating that a variety of factors, both internal and external to the firm, may affect the organization's performance. Therefore, there is no "one best way" to manage and organize because circumstances vary.

*AACSB: Reflective Thinking*

*Blooms: Apply*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 3 Hard*

*Topic: Contemporary Approaches*

102. In the context of the above scenario, which of the following is true of Sarah's beliefs?

(p. 36)

- A. Managers should be oriented more toward things than toward people.
- B. A pay system in which workers were paid additional wages when they exceeded a standard level of output for each job should be implemented.
- C. Managers may ignore appropriate rules and regulations.
- D. A piece-rate system will motivate supervisors to provide extra attention to struggling workers.
- E. There is no "one best way" to manage and organize because circumstances vary.

Building on systems theory ideas, the contingency perspective refutes universal principles of management by stating that a variety of factors, both internal and external to the firm, may affect the organization's performance. Therefore, there is no "one best way" to manage and organize because circumstances vary.

*AACSB: Reflective Thinking*

*Blooms: Apply*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 3 Hard*

*Topic: Contemporary Approaches*

Scenario B. Use the information given below to answer the following questions. Wilson, an employee at Pinnacle Corp., was facing a problem with a coworker. He decided to report his coworker's misbehavior to the department manager, instead of his immediate supervisor. However, he was instructed to consult his supervisor first and solve the matter, if possible. He was advised to raise the matter with the higher authorities only if his supervisor could not settle it.

## Multiple Choice Questions

103. In the context of the above scenario, which of the following approaches to management does (p. 32) Pinnacle Corp. follow?

- A. Scientific management
- B. Human relations
- C. Quantitative management
- D. Bureaucracy
- E. Sociotechnical systems theory

A characteristic of an effective bureaucracy is authority. A chain of command or hierarchy is well established.

*AACSB: Reflective Thinking*

*Blooms: Apply*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 3 Hard*

*Topic: Classical Approaches*

104. In the context of the above scenario, which of the following is true of the organizational  
(p. 32) structure of Pinnacle Corp.?

- A. Employee loyalty and longevity is promoted.
- B. A unity of interests between employees and management is promoted.
- C. Employees are encouraged to act on their own in support of the organization's direction.
- D. A chain of command or hierarchy is well established.
- E. Efforts that support the organization's direction are systematically rewarded.

A characteristic of an effective bureaucracy is authority. A chain of command or hierarchy is well established.

*AACSB: Reflective Thinking*

*Blooms: Apply*

*Learning Objective: 02-02 Summarize the five classical approaches to management.*

*Level of Difficulty: 3 Hard*

*Topic: Classical Approaches*

Scenario C. Use the information given below to answer the following questions. Karen, an intelligent, enthusiastic, and hardworking person, recently joined a company. Despite working well, she was constantly yelled at by her manager. In addition, her manager expected her to submit a report of her activities at the end of each day. He also checked on Karen at frequent intervals during the day to see how her work was progressing. After a few months of such treatment, Karen began to lose interest in her work. She began to frequently miss deadlines and the quality of her work deteriorated.

## Multiple Choice Questions

105. In the context of the above scenario, which of the following principles of management does  
(p. 36) Karen's manager believe in?

- A. Scientific management
- B. Douglas McGregor's Theory X**
- C. Abraham Maslow's Hierarchy of Needs theory
- D. Henri Fayol's principle of esprit de corps
- E. Systematic management

During the 1960s, organizational behaviorists heavily influenced the field of management. Douglas McGregor's Theory X and Theory Y marked the transition from human relations. According to McGregor, Theory X managers assume workers are lazy and irresponsible and require constant supervision and external motivation to achieve organizational goals.

*AACSB: Reflective Thinking*

*Blooms: Apply*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 3 Hard*

*Topic: Contemporary Approaches*

106. In the context of the above scenario, the phenomenon in which Karen meets her manager's  
(p. 36) expectations by behaving in an irresponsible manner is known as a(n):

- A. self-fulfilling prophecy.
- B. contingency.
- C. administrative effect.
- D. flexible process.
- E. economy of scale.

During the 1960s, organizational behaviorists heavily influenced the field of management. Douglas McGregor's Theory X and Theory Y marked the transition from human relations. According to McGregor, Theory X managers assume workers are lazy and irresponsible and require constant supervision and external motivation to achieve organizational goals. An important implication for managers who subscribe to Theory X is known as a self-fulfilling prophecy. This occurs when a manager treats employees as lazy, unmotivated, and in need of tight supervision; then the employees eventually fulfill the manager's expectations by acting that way.

*AACSB: Reflective Thinking*

*Blooms: Apply*

*Learning Objective: 02-03 Discuss the four contemporary approaches to management.*

*Level of Difficulty: 3 Hard*

*Topic: Contemporary Approaches*