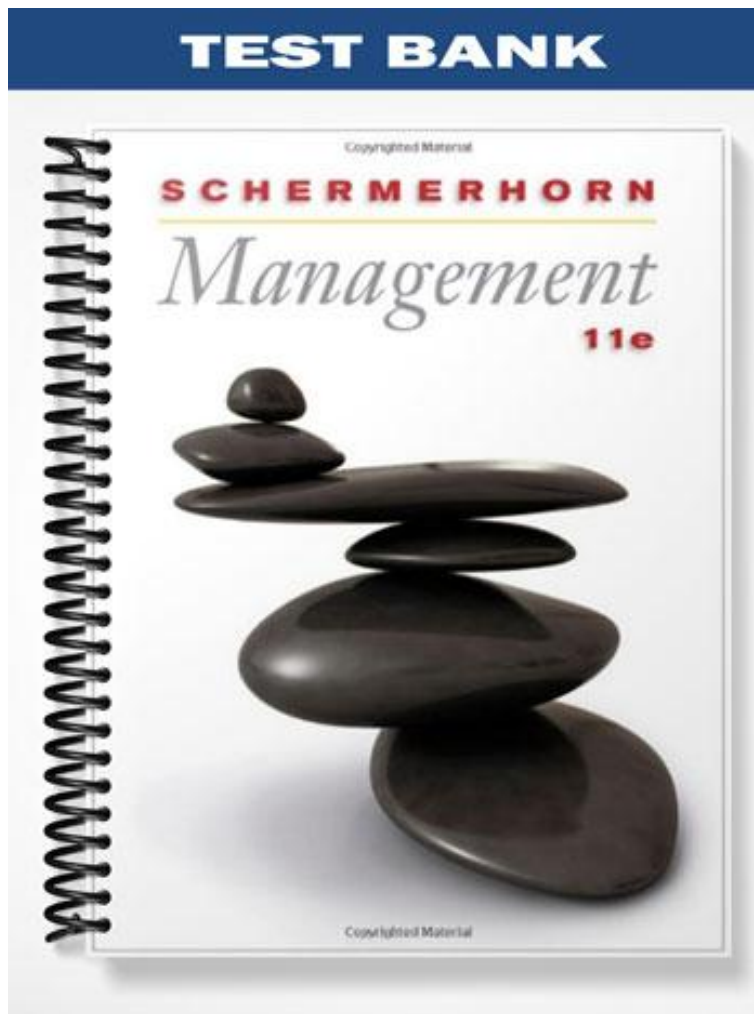


TEST BANK



Chapter 2: History of Management Thought

Introduction

1. In *The Evolution of Management Thought*, Daniel Wren traces management as far back as 500BC.

Ans: False
Response: Page 30
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

2. Since so much has changed in management science, earlier thoughts on management are not very relevant to the way organizations are managed today.

Ans: False
Response: Page 30
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

3. Even though the way we manage our work and our organizations is changing — managers today can benefit from studying the history of management thought.

Ans: True
Response: Page 30
Difficulty: Moderate
AACSB: Individual Dynamics
Bloom's Taxonomy: Comprehension

4. Many modern management concepts have parallels in some of the historical management writings, and contemporary managers are trying to perfect many ideas that have deep historical roots.

Ans: True
Response: Page 30
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

5. Management was important in which of these situations:
- A. Egyptian pyramids
 - B. Rise of the Roman Empire
 - C. Commercial success of 14th century Venice
 - D. Industrial Revolution
 - E. All of the above

Ans: E

Response: Page 30

Difficulty: Easy

Ref: Introduction

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

6. In terms of today's management practices with relation to the historical roots of management throughout time, the history of management _____.
- A. has no influence on management today
 - B. is exactly the same as management today
 - C. provides many useful lessons, some of which we are still trying to perfect
 - D. should be used as a reference only and not in actual management applications today
 - E. is old and outdated and has no part in management today

Ans: C

Response: Page 30

Difficulty: Moderate

Ref: Introduction

AACSB: Leadership Principles

Bloom's Taxonomy: Analysis

Learning From Others

7. Facebook founder, Mark Zuckerberg, is interested in hiring people who want to create new things quickly versus those looking for long-term employment.

Ans: True

Response: Page 28

Difficulty: Easy

AACSB: HRM

Bloom's Taxonomy: Knowledge

8. Zappos CEO, Tony Hsieh, believes in investing in staff training and mentoring with the hopes of keeping his employees long-term.

Ans: True
Response: Page 28
Difficulty: Easy
AACSB: HRM
Bloom's Taxonomy: Knowledge

9. Zappos has a strong commitment to customer satisfaction, but not to its employees who are mainly using their employment at Zappos as a stepping stone to future opportunities.

Ans: False
Response: Page 28
Difficulty: Moderate
AACSB: HRM
Bloom's Taxonomy: Comprehension

10. Facebook's approach to hiring and retention is to be committed to their employees and invest heavily in staff training and mentoring in order to produce life-long employees within the organization.

Ans: False
Response: Page 28
Difficulty: Moderate
AACSB: HRM
Bloom's Taxonomy: Application

Learning About Yourself

11. The Accommodator learning style likes logical reasoning, in order to learn by information.

Ans: False
Response: Page 29
Difficulty: Easy
AACSB: Individual Dynamics
Bloom's Taxonomy: Knowledge

12. The Converger learning style likes to experiment and learn by problem solving.

Ans: True
Response: Page 29
Difficulty: Easy

AACSB: Individual Dynamics
Bloom's Taxonomy: Knowledge

13. The way in which we learn has very little impact on the way we manage and relate to others.

Ans: False
Response: Page 29
Difficulty: Easy
AACSB: Individual Dynamics
Bloom's Taxonomy: Knowledge

14. One's learning style has no real relevance for performance success today.

Ans: False
Response: Page 29
Difficulty: Easy
AACSB: Individual Dynamics
Bloom's Taxonomy: Knowledge

15. The text refers to types of learning styles which helps define how you like to learn. These learning styles are:
A. Accommodator
B. Diverger
C. Converger
D. Assimilator
E. All of the above

Ans: E
Response: Page 29
Difficulty: Moderate
Ref: Learning About Yourself
AACSB: Individual Dynamics
Bloom's Taxonomy: Knowledge

Classical Management Approaches

16. The three branches of classical management approaches are scientific management, theory x and y, and bureaucratic organization.

Ans: False

Response: Page 30
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

17. Henri Fayol and Mary Parker Follett were important contributors to scientific management, and Frederick Taylor and Max Weber were important contributors to administrative principles.

Ans: False
Response: Page 31
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

18. A major assumption of classical approaches to management is that people are much more driven by human concerns for other workers than by the need to achieve personal gain.

Ans: False
Response: Page 30
Difficulty: Easy
AACSB: Individual Dynamics
Bloom's Taxonomy: Knowledge

19. According to Frederick Taylor, the primary objective of management is to secure maximum prosperity for both the employer and the employees.

Ans: True
Response: Page 31
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Application

20. According to scientific management, performance-based compensation, job design and supervisory training are methods that can be used to improve productivity of people at work.

Ans: True
Response: Page 31
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

21. Scientific management theories are important historically but are not very relevant for modern managers and businesses today.

Ans: True

Response: Page 31

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

22. One of the principles of scientific management is to develop a scientific approach to every job that includes careful selection and training of workers as well as proper supervisory support.

Ans: True

Response: Page 31

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Application

23. Frederick Taylor's four principles of scientific management focus on developing a science for every job, carefully selecting workers based on their abilities, simplifying work, introducing work standards and giving them proper incentives.

Ans: False

Response: Page 31

Difficulty: Hard

AACSB: Leadership Principles

Bloom's Taxonomy: Application

24. Carefully selecting workers with the right abilities to do their jobs is just one practical lesson learned from scientific management.

Ans: True

Response: Page 31

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Comprehension

25. Motion studies, conducted by Frank and Lillian Gilbreth, provided the foundation for modern job simplification, work standard techniques, and incentive wage plans.

Ans: True

Response: Page 32

Difficulty: Moderate

AACSB: Leadership Principles
Bloom's Taxonomy: Synthesis

26. Frank and Lillian Gilbreth made important contributions to scientific management while, the work of Henry Fayol contributed to the development of administrative principles.

Ans: True
Response: Page 31-32
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

27. Scientific management is primarily concerned with getting people at work to do what is necessary to improve productivity.

Ans: True
Response: Page 31
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

28. Training supervisors to support workers so they can perform to the best of their abilities is another practical lesson learned from scientific management.

Ans: True
Response: Page 31
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Application

29. For UPS, productivity standards have cut down on inefficiencies and increased productivity.

Ans: True
Response: Page 31
Difficulty: Hard
AACSB: Strategy
Bloom's Taxonomy: Application

30. Frederick Taylor's four principles of scientific management focus on developing a science for every job, carefully selecting workers based on their abilities, job standardization and simplification, work standards, and supporting workers through careful planning of their work.

Ans: False
Response: Page 31
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

31. Administrative study is the science of reducing a job or task to its basic physical motions.

Ans: False
Response: Page 31
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

32. Mary is very concerned with worker morale, and she frequently surveys employees to determine their level of job satisfaction. She feels that people really want to work, to take more responsibility, and to make a contribution. Her approach reflects application of scientific management principles in the workplace.

Ans: False
Response: Page 31
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Application

33. Max Weber's ideas developed in reaction to performance deficiencies in the organizations of his day.

Ans: True
Response: Page 33
Difficulty: Moderate
AACSB: Individual Dynamics
Bloom's Taxonomy: Knowledge

34. Henri Fayol identified five rules of management — foresight, organization, command, coordination, and control — that closely resemble the four management functions studied today.

Ans: True
Response: Page 32
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Evaluation

35. Using time and motion studies to improve worker performance is an example of the use of management techniques derived from administrative management.

Ans: False
Response: Page 32
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Application

36. Henri Fayol constructed several management principles through which people could improve the quality of management practice.

Ans: True
Response: Page 32
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

37. Henri Fayol's coordination principle specifies that one person should be in charge of all activities that have the same performance objective.

Ans: False
Response: Page 32
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

38. The scalar chain principle states that there should be a clear and unbroken line of communication from the top to the bottom of the organization.

Ans: True
Response: Page 32
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

39. The unity of command principle specifies that one person should be in charge of all activities that have the same performance objective.

Ans: False

Response: Page 32
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

40. The control principle dictates that each person should receive orders from only one boss.

Ans: False
Response: Page 32
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

41. United Parcel Service is known for implementing many highly efficient operations based on current applications of scientific management.

Ans: True
Response: Page 31
Difficulty: Easy
AACSB: Operations Management
Bloom's Taxonomy: Application

42. Max Weber believed that people held positions of authority because of their social standing or “privileged” status; this problem could be addressed effectively through a form of organization known as bureaucracy.

Ans: True
Response: Page 33
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Synthesis

43. According to Max Weber, a bureaucracy is an ideal form of organization that is intentionally rational and efficient, and is founded on the principles of logic, order, and legitimate authority.

Ans: True
Response: Page 33
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

44. Bureaucratic organizations are characterized by a clear division of labor, a clear hierarchy of authority, informal rules and procedures, personal coordination and control, and careers based on social status.

Ans: False
Response: Page 33
Difficulty: Moderate
AACSB: Environmental Influence
Bloom's Taxonomy: Analysis

45. Weber believed that efficiency in the utilization of resources and fairness in the treatment of employees and clients were potential advantages of bureaucratic organizations.

Ans: True
Response: Page 33
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

46. Weber believed “the purely bureaucratic type of organization...is capable of attaining the highest degree of efficiency.”

Ans: True
Response: Page 33
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

47. The three branches of the classical approach to management are _____.
- A. Behaviorism, rationalism, and self-actualization.
 - B. Scientific management, administrative principles, and bureaucratic organization.
 - C. Authoritarian, permissive, and homeostatic.
 - D. Economic, modern, and self-actualizing.
 - E. Open, closed, and entropic.

Ans: B
Response: Page 30
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

48. The belief that people will rationally consider available opportunities and do whatever is necessary to achieve the greatest personal economic gain is the underlying assumption of which approach to management thought?
- A. Quantitative approach.
 - B. Socioeconomic approach.
 - C. Modern approach.
 - D. Classical approach.
 - E. Behavioral approach.

Ans: D

Response: Page 31

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Application

49. According to Frederick Taylor, the principal object of management should be _____.
- A. Profitability.
 - B. Efficiency.
 - C. Achieving the greatest good for society.
 - D. The good of the community.
 - E. Securing maximum prosperity for employer and employee.

Ans: E

Response: Page 31

Difficulty: Moderate

AACSB: Individual Dynamics

Bloom's Taxonomy: Knowledge

50. Who is known as the father of scientific management?
- A. Frank Gilbreth.
 - B. Max Weber.
 - C. Henri Fayol.
 - D. Frederick Taylor.
 - E. Lillian Gilbreth.

Ans: D

Response: Page 31

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

51. Anthony has been watching some of his employees sort and put inventory into storage bins. It appears to him that significant time and effort are being wasted in this process. Anthony decides to analyze the workers' overall task and then select and train workers for specific parts of the job to increase their productivity. Anthony is applying the principles of _____.
- A. scientific management
 - B. organizational behavior
 - C. management science
 - D. contingency theory
 - F. administrative management

Ans: A

Response: Page 31

Difficulty: Hard

AACSB: Leadership Principles

Bloom's Taxonomy: Application

52. A follower of Frederick Taylor would be LEAST likely to try to _____.
- A. make results-based compensation a performance incentive.
 - B. select workers with the right abilities to do the job.
 - C. offer workers proper training.
 - D. motivate workers by encouraging them to work in small groups.
 - E. train supervisors to support workers by carefully planning their work.

Ans: D

Response: Page 31

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Analysis

53. The practical lessons of scientific management include all of the following EXCEPT:
- A. Make results-based compensation a performance incentive.
 - B. Select workers with the right abilities to do the job.
 - C. Allow workers to have input into the determination of work methods and performance standards.
 - D. Carefully design jobs with efficient work methods.
 - E. Train supervisors to support workers by carefully planning their work.

Ans: C

Response: Page 31

Difficulty: Hard

AACSB: Leadership Principles

Bloom's Taxonomy: Analysis

54. _____ refer(s) to a job science that includes careful selection and training of workers along with proper supervisory support.

- A. Administrative principles.
- B. Scientific management.
- C. Contingency theory.
- D. Self-actualization.
- E. Fayol's principles of management.

Ans: B

Response: Page 31

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Comprehension

55. Al Davis and his friends wanted to start their own car detailing business. In order to differentiate their cleaning services from others, they would break down the various jobs associated with cleaning the entire car, and each would work on their specialty. With which of the following management approaches do their actions most agree?
- A. Administrative principles.
 - B. Scientific management.
 - C. Contingency theory.
 - D. Self-actualization.
 - E. Fayol's principles of management.

Ans: B

Response: Page 31

Difficulty: Hard

AACSB: Leadership Principles

Bloom's Taxonomy: Application

56. The belief that workers are expected to rationally consider opportunities made available to them and to do whatever is necessary to achieve the greatest personal and monetary gain depicts which type of approach to management:
- A. Command and Control
 - B. Lead by example
 - C. Scientific
 - D. Classical
 - E. None of the above

Ans: D

Response: Page 31

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Application

57. United Parcel Service (UPS) tracks the performance speed of their package sorters, utilizes GPS to plot the shortest delivery routes and trains their drivers to knock on the customers' doors rather than spend extra seconds looking for the doorbell. This type of analysis is an example of:
- A. Motion study
 - B. Bureaucracy
 - C. Hawthorne Effect
 - D. Ethics
 - E. Theory X

Ans: A

Response: Page 31

Difficulty: Moderate

AACSB: Operations Management

Bloom's Taxonomy: Application

58. _____ is the science of reducing a job or task to its basic physical motions.
- A. Job design.
 - B. Motion study.
 - C. Workflow analysis.
 - D. Task analysis.
 - E. Role analysis.

Ans: B

Response: Page 31

Difficulty: Easy

AACSB: Operations Management

Bloom's Taxonomy: Knowledge

59. _____ pioneered the use of motion studies as a management tool.
- A. Frederick Herzberg.
 - B. Max Weber.
 - C. Abraham Maslow.
 - D. Frank and Lillian Gilbreth.
 - E. Mary Parker Follett and James D. Mooney.

Ans: D

Response: Page 31

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

60. Frank and Lillian Gilbreth's work on motion studies provided the basis for later advances in which management areas?
- A. Job simplification.
 - B. Incentive wage plans.

- C. Work standards.
- D. All of the above.
- E. None of the above.

Ans: D

Response: Page 32

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Synthesis

61. United Parcel Service (UPS) makes use of calibrated productivity standards as well as the timing of package sorting, delivery, and pickup to keep productivity at the highest level per employee. In developing worker productivity standards, UPS obviously makes use of _____.
- A. Behavioral theories.
 - B. Self-actualization.
 - C. Systems theory.
 - D. Motion studies.
 - E. Administrative principles.

Ans: D

Response: Page 31

Difficulty: Hard

AACSB: Operations Management

Bloom's Taxonomy: Application

62. Henri Fayol's _____ provide the foundation for the _____ used in today's businesses.
- A. Three rules of management ... systems and contingency approaches.
 - B. Administrative principles ... systems and contingency approaches.
 - C. Five duties of management ... four functions of management.
 - D. Notions of planning and organizing ... ideas of command and coordination.
 - E. Principles of collective and social responsibility ... functions of management.

Ans: C

Response: Page 32

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Analysis

63. According to Henri Fayol, the five rules of management are _____.
- A. Foresight, organization, command, coordination, and control.
 - B. Authority, responsibility, discipline, remuneration, and initiative.
 - C. Centralization, stability, initiative, communication, and esprit de corps.
 - D. Prediction, hypothesis, observation, experimentation, and verification.

E. Standardization, centralization, negative entropy, communication, and homeostasis.

Ans: A

Response: Page 32

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

64. Henri Fayol is noted for originating which of the following concepts?

- A. The scalar chain principle.
- B. The unity of command principle.
- C. The unity of direction principle.
- D. All of the above.
- E. None of the above.

Ans: D

Response: Page 32

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

65. The _____ principle, as defined by Henri Fayol, states there should be a clear and unbroken line of communication from top to bottom in the organization's hierarchy of authority.

- A. Scalar chain.
- B. Unity of command.
- C. Unity of direction.
- D. Communication control.
- E. Hawthorne.

Ans: A

Response: Page 32

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

66. The _____ principle, as defined by Henri Fayol, states that each person should receive orders from only one boss.

- A. Scalar chain.
- B. Unity of command.
- C. Unity of direction.
- D. Management order.
- E. Organization.

Ans: B

Response: Page 32

Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

67. The _____ principle, as defined by Henri Fayol, states that one person should be in charge of all activities having the same performance objective.
- A. Scalar chain.
 - B. Unity of command.
 - C. Unity of direction.
 - D. Classical design.
 - E. Hawthorne.

Ans: C
Response: Page 32
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

68. Which of the following best states the impetus for the development of a bureaucratic organization?
- A. Max Weber was trying to define the one best way to perform a job.
 - B. Max Weber was attempting to upset German society.
 - C. Max Weber was reacting to the performance deficiencies in organizations of his day.
 - D. Max Weber was attempting to identify a common set of employee needs in German society.
 - E. Max Weber was interested in formulating exact rules of behavior for German managers.

Ans: C
Response: Page 33
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Analysis

69. Max Weber believed people in nineteenth-century organizations were in positions of authority based on their _____ versus their _____.
- A. Political connections ... leadership traits.
 - B. Social standing ... job-related capabilities.
 - C. Leadership qualities ... job requirements.
 - D. Economic wealth ... social standing.
 - E. Managerial competence ... economic wealth.

Ans: B
Response: Page 33
Difficulty: Moderate

AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

70. Max Weber believed that _____ could correct performance deficiencies in late 19th century German organizations.
- A. A loosely structured system.
 - B. Bureaucracy.
 - C. A contingent organization
 - D. An organic organization.
 - E. An adaptive organization.

Ans: B

Response: Page 33

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Comprehension

71. _____ is an ideal, intentionally rational, and very efficient form of organization founded on the principles of logic, order, and legitimate authority.
- A. A democratically structured system.
 - B. A contingent organization
 - C. An organic organization.
 - D. An adaptive organization.
 - E. Bureaucracy.

Ans: E

Response: Page 33

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

72. Weber's conception of bureaucratic organizations included all of the following characteristics EXCEPT:
- A. Clear division of labor.
 - B. Clear hierarchy of authority.
 - C. Formal rules and procedures.
 - D. Impersonality.
 - E. Careers based on social and/or political connections.

Ans: E

Response: Page 33

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Analysis

73. Organizations possessing a clear division of labor, standard rules and procedures, a well-defined hierarchy of authority, members selected for technical competence, and explicitly defined duties and responsibilities. This is an example of _____.
- A. A closed system.
 - B. An open system.
 - C. A bureaucracy.
 - D. Negative entropy.
 - E. Scientific management.

Ans: C

Response: Page 33

Difficulty: Hard

AACSB: Leadership Principles

Bloom's Taxonomy: Application

74. Efficiency in the utilization of resources and fairness in the treatment of employees and clients are potential advantages of _____.
- A. A bureaucracy.
 - B. An open system.
 - C. A closed system.
 - D. Scientific management.
 - E. Self-actualization.

Ans: A

Response: Page 33

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Comprehension

75. Which one of the following statements about bureaucracy is true?
- A. The work of Max Weber is too outdated to be used in the modern science of management.
 - B. The work of Max Weber still has a major impact on the present trends and directions of management.
 - C. The work of Max Weber influenced only European management thinkers.
 - D. Bill Gates bases the operations of Microsoft on Max Weber's theories of specialization and division of labor.
 - E. Max Weber believed that a bureaucracy was the most rigid and apathetic form of organization.

Ans: B

Response: Page 33

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Analysis

76. What can be learned from classical management thinking?

Ans: The classical management approaches encompass scientific management, administrative principles, and bureaucratic organization. The basic assumption of the classical management approaches is that people are rational and are primarily driven by economic concerns.

The useful lessons from scientific management, as espoused by Frederick Taylor, are: make results-based compensation a performance incentive; carefully design jobs with efficient work methods; carefully select workers with the abilities to do these jobs; train workers to perform the jobs to the best of their abilities; and train supervisors to support workers so they can perform the jobs to the best of their abilities. In addition, the work of Frank and Lillian Gilbreth, also done within the scientific management tradition, provided a foundation for later advances in job simplification, work standards, and incentive wage plans.

The contributions of the administrative principles branch of the classical management approach are exemplified by the work of Henri Fayol and Mary Parker Follett. Henri Fayol developed rules and principles of management that served as guides to management practice. His rules of managerial foresight, organization, command, coordination, and control are similar to the modern planning, organizing, leading, and controlling functions of management. Fayol's scalar chain, unity of command, and unity of direction principles also served to guide management practice. Follett brought an understanding of groups and a deep commitment to human cooperation to her writings about businesses and other organizations. Her insights about groups and human cooperation include the following: groups are mechanisms through which individuals could combine their talents for a greater good; organizations should be viewed as communities in which managers and workers work in harmony; and the manager's job is to help organization members cooperate with one another and achieve an integration of interests. Follett's work also anticipated many modern management concepts and practices, including employee ownership, profit sharing, gain-sharing, systems concepts, managerial ethics, and corporate social responsibility.

Max Weber viewed bureaucracy as an ideal, intentionally rational, and very efficient form of organization founded on principles of logic, order, and legitimate authority. The characteristics of bureaucratic organizations include the following: a clear division of labor, a clear hierarchy of authority, formal rules and procedures, impersonality, and careers based on merit. Weber believed that by designing and operating organizations as bureaucracies, productivity could be optimized.

Response: Page 30-31

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Synthesis

Behavioral Management Approaches

77. The behavioral (or human resource) approach to management basically assumes that _____.

- A. People at work will seek satisfying social relationships, respond to group pressures, and search for personal fulfillment.
- B. Management problems are best solved by qualitative rather than by quantitative analysis.

- C. People are easily understandable creatures.
- D. People are completely rational and responsive to economic incentives.
- E. Environmental reinforcements have little to do with people's work behavior.

Ans: A

Response: Page 34

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Comprehension

78. Mary Parker Follett, playing a role in the transition from classical thinking into behavioral management, believed that _____.
- A. Groups were mechanisms through which diverse individuals could combine their talents for a greater good.
 - B. Organizations are communities in which managers and workers should labor in harmony.
 - C. The manager's job is to help people in organizations cooperate with one another and achieve an integration of interests.
 - D. All of the above.
 - E. None of the above.

Ans: D

Response: Page 34

Difficulty: Moderate

AACSB: Group Dynamics

Bloom's Taxonomy: Analysis

79. Mary Parker Follett believed that making every employee an owner in the business would create feelings of _____.
- A. Collective responsibility.
 - B. Stockholder ownership.
 - C. Personal control.
 - D. Individual achievement.
 - E. Corporate sharing.

Ans: A

Response: Page 34

Difficulty: Easy

AACSB: Group Dynamics

Bloom's Taxonomy: Knowledge

80. Mary Parker Follett's emphasis on groups and her commitment to human cooperation are displayed in today's management environments in the following ways:
- A. Employee ownership
 - B. Profit sharing
 - C. Gain sharing

- D. None of these
- E. A, B & C are all correct

Ans: E

Response: Page 34

Difficulty: Moderate

AACSB: Group Dynamics

Bloom's Taxonomy: Analysis

81. Google's principles for knowledge development and organizational learning include all of the following EXCEPT:
- A. Hire by committee
 - B. Mental models
 - C. Use data
 - D. Seek consensus
 - E. Don't be evil

Ans: B

Response: Page 43

Difficulty: Moderate

AACSB: Strategy

Bloom's Taxonomy: Analysis

82. Mary Parker Follett believed that business problems involve a wide variety of factors that must be considered in relationship to one another. This belief foreshadowed the contemporary management concern with _____.
- A. Environmental analysis.
 - B. Systems and contingency thinking.
 - C. Job design.
 - D. Corporate culture.
 - E. Multiculturalism.

Ans: B

Response: Page 35

Difficulty: Moderate

AACSB: Group Dynamics

Bloom's Taxonomy: Synthesis

83. The Hawthorne Studies refer to _____ conducted at the Hawthorne Works of the Western Electric Company.
- A. An intensive training program for workers.
 - B. An education program for fast-track managers.
 - C. A research program on technology.
 - D. A research program on management decision-making.
 - E. A research program on individual productivity.

Ans: E

Response: Page 35

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

84. Which of the following statements characterizes the thinking that emerged from the Hawthorne studies?
- A. If jobs are properly designed and proper incentives provided, predictable results will follow.
 - B. Workers will perform their jobs as they are told to and will maximize their output so as to increase their pay.
 - C. Concern for the worker will lead to greater worker satisfaction, which will then lead to increased output.
 - D. Workers generally dislike work and need to be closely supervised to ensure adequate productivity.
 - E. People are motivated primarily by money.

Ans: C

Response: Page 36

Difficulty: Moderate

AACSB: Individual Dynamics

Bloom's Taxonomy: Comprehension

85. A key conclusion from the Hawthorne relay assembly test room studies was that _____.
- A. Workers cannot be productive at various levels of illumination.
 - B. Workers are basically rational.
 - C. Workers perform well when they share pleasant social relations with one another and when supervision is participatory.
 - D. Workers are more productive when their pay scale is increased to match their effort.
 - E. Workers are more productive when their work areas are well lighted.

Ans: C

Response: Page 35

Difficulty: Moderate

AACSB: Group Dynamics

Bloom's Taxonomy: Analysis

86. Which of the following statements about the Hawthorne Studies is incorrect?
- A. The studies were started to identify the influence that "social factors" had on productivity.
 - B. The studies were started to determine the effect that different levels of lighting had on productivity.
 - C. In one study, workers' productivity increased as the level of illumination at their workstations was decreased.
 - D. The "social setting" of the various experiments influenced the results of the studies.

- E. People would restrict output to avoid the displeasure of the group, even if it meant sacrificing pay.

Ans: A

Response: Page 35

Difficulty: Moderate

AACSB: Group Dynamics

Bloom's Taxonomy: Analysis

87. The Hawthorne Studies have been criticized for which of the following reasons?
- A. Poor research design.
 - B. Weak empirical support for the conclusions drawn.
 - C. The tendency of researchers to over generalize their findings.
 - D. All of the above.
 - E. None of the above.

Ans: D

Response: Page 36

Difficulty: Moderate

AACSB: Operations Management

Bloom's Taxonomy: Knowledge

88. The Hawthorne Studies helped shift the attention of managers and scholars away from the technical and structural concerns emphasized by the classical management approach and toward _____.
- A. A more scientific approach to management.
 - B. In-depth studies of actual case histories and individual experiences.
 - C. The use of computers to deal with more complex mathematical models.
 - D. The study of social and human concerns as keys to productivity.
 - E. A Theory X approach to management science.

Ans: D

Response: Page 36

Difficulty: Moderate

AACSB: Group Dynamics

Bloom's Taxonomy: Comprehension

89. The Hawthorne Studies contributed to the emergence of the _____ movement as an important influence on management thought during the 1950s and 1960s.
- A. Employee Involvement.
 - B. Human relations.
 - C. Social relations.
 - D. Scientific relations.
 - E. Cultural relations.

Ans: B

Response: Page 36

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

90. _____ was based on the viewpoint that managers who used good human relations in the workplace would achieve productivity.
- A. Modern relations movement.
 - B. Social relations movement.
 - C. Scientific relations movement.
 - D. Cultural relations movement.
 - E. Human relations movement.

Ans: E

Response: Page 35

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

91. The study of individuals and groups in organizations represents the field known as _____.
- A. Organizational behavior
 - B. Contingency theory
 - C. Systems theory
 - D. Modern behavioral methods.
 - E. Theory X and Theory Y

Ans: A

Response: Page 37

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

92. Maslow's theory of human needs is consistent with which area of management thought?
- A. Classical approach.
 - B. Scientific management.
 - C. Systems theory.
 - D. Human relations movement.
 - E. Contingency theory

Ans: D

Response: Page 37

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

93. A psychological or physiological deficiency that a person feels compelled to satisfy is known as a(n) _____.
- A. desire.
 - B. need.
 - C. drive.
 - D. obsession.
 - E. satisfaction deficit.

Ans: B

Response: Page 37

Difficulty: Easy

AACSB: Motivation Concepts

Bloom's Taxonomy: Knowledge

94. Maslow's hierarchy of human needs theory includes which of the following needs?
- A. Food, shelter, sex, money, and prestige.
 - B. Physiological, spiritual, social, and psychological fulfillment.
 - C. Physical safety, financial security, and social status.
 - D. Physiological, safety, social, esteem, and self-actualization.
 - E. Respect, prestige, recognition, security, and power.

Ans: D

Response: Page 37

Difficulty: Moderate

AACSB: Motivation Concepts

Bloom's Taxonomy: Knowledge

95. _____ needs refer to the needs for basic biological maintenance such as food, water, and physical well-being.
- A. Physiological
 - B. Safety
 - C. Social
 - D. Esteem
 - E. Self-actualization

Ans: A

Response: Page 37

Difficulty: Easy

AACSB: Motivation Concepts

Bloom's Taxonomy: Knowledge

96. _____ needs refer to the needs for security, protection, and stability in the events of daily life.
- A. Physiological
 - B. Safety
 - C. Social
 - D. Esteem
 - E. Self-actualization

Ans: B

Response: Page 37

Difficulty: Easy

AACSB: Motivation Concepts

Bloom's Taxonomy: Knowledge

97. _____ needs refer to the needs for love, affection, and belongingness in one's relationships with other people.
- A. Physiological
 - B. Safety
 - C. Social
 - D. Esteem
 - E. Self-actualization

Ans: C

Response: Page 37

Difficulty: Easy

AACSB: Motivation Concepts

Bloom's Taxonomy: Knowledge

98. _____ needs involve the needs for respect, prestige, recognition, and self-esteem; and a personal sense of competency and mastery.
- A. Physiological
 - B. Safety.
 - C. Social
 - D. Esteem
 - E. Self-actualization

Ans: D

Response: Page 37

Difficulty: Easy

AACSB: Motivation Concepts

Bloom's Taxonomy: Knowledge

99. _____ needs include the needs for being self-fulfilled and to grow and use abilities to the fullest and most creative extent.
- A. Physiological

- B. Safety
- C. Social
- D. Esteem
- E. Self-actualization

Ans: E

Response: Page 37

Difficulty: Moderate

AACSB: Motivation Concepts

Bloom's Taxonomy: Knowledge

100. According to the deficit principle of Maslow's theory of human needs, _____.
- A. People have a variety of needs, or deficits, that they must satisfy at any given time.
 - B. Each person has different needs.
 - C. People are not motivated by a satisfied need.
 - D. People are always in need of something.
 - E. No matter what their condition in life, all people are looking for basic security.

Ans: C

Response: Page 37

Difficulty: Moderate

AACSB: Motivation Concepts

Bloom's Taxonomy: Knowledge

101. According to the progression principle of Maslow's theory of human needs, _____.
- A. The five human needs must all be satisfied before people can progress to self-actualization.
 - B. A need at any level only becomes activated when the next lower-level need has been satisfied.
 - C. The most basic human need is the need for self-actualization.
 - D. Human needs are never truly fulfilled.
 - E. Human needs progress from stronger needs to weaker needs.

Ans: B

Response: Page 37

Difficulty: Moderate

AACSB: Motivation Concepts

Bloom's Taxonomy: Knowledge

102. At which need level of Maslow's hierarchy of human needs do the deficit and progression principles cease to operate?
- A. Physiological needs.
 - B. Safety needs.
 - C. Social needs.
 - D. Esteem needs.
 - E. Self-actualization needs.

Ans: E

Response: Page 37

Difficulty: Moderate

AACSB: Motivation Concepts

Bloom's Taxonomy: Comprehension

103. Wendy is a manager in a nonprofit organization. She is interested in using Maslow's need hierarchy to guide her approach to managing the volunteers working for this nonprofit organization. In order to promote productivity, Wendy should _____.
- A. Create jobs that satisfy the needs of the volunteers.
 - B. Create work environments that satisfy the needs of the volunteers.
 - C. Ensure that the work is fulfilling for the volunteers.
 - D. All of the above.
 - E. None of the above.

Ans: D

Response: Page 37-38

Difficulty: Moderate

AACSB: Motivation Concepts

Bloom's Taxonomy: Application

104. According to Douglas McGregor, managers should pay more attention to _____.
- A. Motion studies.
 - B. Social responsibility.
 - C. Behavior modification techniques.
 - D. Quantitative analysis.
 - E. Social and self-actualization needs.

Ans: E

Response: Page 38

Difficulty: Moderate

AACSB: Motivation Concepts

Bloom's Taxonomy: Comprehension

105. Theory X managers tend to see their subordinates as _____.
- A. Creative, responsible, and self-motivated.
 - B. Motivated by challenging work.
 - C. Irresponsible, resistant to change, lacking in ambition, disliking work, and preferring to be led rather than to lead.
 - D. Liking work because they prefer to lead rather than to be led.
 - E. Basically rational.

Ans: C

Response: Page 38

Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

106. According to McGregor, Theory Y managers tend to see their subordinates as _____.
- A. Passive, dependent, and reluctant.
 - B. Irresponsible, resistant to change, lacking in ambition, disliking work, and preferring to be led rather than to lead.
 - C. Willing to work, willing to accept responsibility, capable of self-direction, capable of self-control, imaginative, and creative.
 - D. Disliking work because they prefer to be led rather than to lead.
 - E. Basically rational and motivated by money.

Ans: C
Response: Page 38
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

107. McGregor believed that managers who held the assumptions of either Theory X or Theory Y could create situations in which employees acted as expected. This behavior is known as _____.
- A. The Hawthorne Effect.
 - B. Theory Z.
 - C. A self-fulfilling prophecy.
 - D. Self-actualization.
 - E. Expectancy theory.

Ans: C
Response: Page 38
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Analysis

108. Douglas McGregor would describe managers who tend to be directive in their relationships with others and who take a command-and-control orientation as _____ managers.
- A. Scientific principles.
 - B. Theory X.
 - C. Theory Y.
 - D. Theory Z.
 - E. Administrative principles.

Ans: B
Response: Page 38
Difficulty: Moderate

AACSB: Leadership Principles
Bloom's Taxonomy: Application

109. A manager who allows his or her subordinates to participate in decision-making, who delegates authority to them, and who offers them greater job autonomy and job variety would be classified by Douglas McGregor as a _____ manager.
- A. Democratic.
 - B. Human relations.
 - C. Theory X.
 - D. Theory Y.
 - E. Theory Z.

Ans: D

Response: Page 38

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Application

110. According to Chris Argyris, certain management principles including some found in the classical management approaches are inconsistent with _____.
- A. The administrative-principles approach.
 - B. Theory X.
 - C. The mature adult personality.
 - D. Rational principles.
 - E. The findings of quantitative analysis.

Ans: C

Response: Page 38

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Comprehension

111. According to Chris Argyris, certain management practices influenced by _____ are inconsistent with the mature adult personality.
- A. Classical management approaches.
 - B. Behavioral management approaches.
 - C. Human resource management approaches.
 - D. Quantitative management approaches.
 - E. Modern management approaches.

Ans: A

Response: Page 38

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

112. Argyris contends implementation of classical management ideas such as the bureaucratic organization and Fayol's administrative principles will lead to all of the following EXCEPT:
- A. Create conditions for psychological failure among the workers.
 - B. Ensure that workers are productive and efficient.
 - C. Create dependent and passive workers.
 - D. Cause workers to have little sense of control over their work environments.
 - E. Undermine worker performance.

Ans: B

Response: Page 38-39

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Analysis

113. According to Argyris's theory of personality and organization, managers who treat people as _____ will achieve _____.
- A. Dependent workers ... the highest productivity.
 - B. Dependent workers ... high profitability.
 - C. Mature and responsible adults ... mediocre productivity.
 - D. Mature and responsible adults ... the highest productivity.
 - E. Friendly workers ... high productivity and profitability.

Ans: D

Response: Page 39

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Comprehension

114. Argyris believes that absenteeism, turnover, apathy, alienation, and similar behavioral problems in the workplace occur because of _____.
- A. A mismatch between workers' mature adult personalities and management practices.
 - B. Task specialization.
 - C. Theory Y management.
 - D. A lack of situational thinking.
 - E. Poor communication between managers and employees.

Ans: A

Response: Page 39

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Application

115. The foundations of the behavioral approach to management include all of the following components EXCEPT:
- A. The Hawthorne Studies.
 - B. Maslow's theory of human needs.
 - C. McGregor's Theory X and Theory Y.
 - D. The human systems contingency model.
 - E. Argyris's theory of personality and organization.

Ans: D

Response: Page 34

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Analysis

116. Today's concerns for managerial ethics and corporate social responsibility were foreshadowed by the classical writings of _____ which argued that businesses were service organizations and that private profits should always be considered in relation to the public good.
- A. Frederick Taylor.
 - B. Henri Fayol.
 - C. Mary Parker Follett.
 - D. Max Weber.
 - E. Lyndall Urwick.

Ans: C

Response: Page 35

Difficulty: Moderate

AACSB: Operations Management

Bloom's Taxonomy: Synthesis

117. The behavioral management approach emphasizes satisfying social relationships, responding to pressure, and seeking personal fulfillment at work.

Ans: True

Response: Page 34

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

118. The behavioral management approaches include Maslow's human needs theory and Argyris's personality and organization theory as well as scientific management.

Ans: False

Response: Page 34

Difficulty: Moderate

AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

119. A major assumption of human resource approaches to management is that people are rational and primarily, motivated by economic incentives.

Ans: False
Response: Page 34
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

120. Mary Parker Follett brought an understanding of groups and a deep commitment to human cooperation to her writings about businesses and other organizations.

Ans: True
Response: Page 34
Difficulty: Easy
AACSB: Group Dynamics
Bloom's Taxonomy: Knowledge

121. According to Mary Parker Follett, managers should develop productive communities at work by controlling and directing their employees.

Ans: False
Response: Page 34
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

122. Mary Parker Follett believed that giving every employee ownership and profit sharing in the business would create feelings of collective responsibility.

Ans: True
Response: Page 34
Difficulty: Moderate
AACSB: Individual Dynamics
Bloom's Taxonomy: Application

123. Mary Parker Follett's belief that businesses were services and that private profits should always be considered in relation to the public good foreshadowed today's concerns with managerial ethics and corporate social responsibility.

Ans: True

Response: Page 35

Difficulty: Moderate

AACSB: Environmental Influence

Bloom's Taxonomy: Analysis

124. The initial focus of the Hawthorne studies reflected a scientific management perspective, but that focus later shifted toward social and human interactions in the workplace.

Ans: True

Response: Page 35

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

125. The Hawthorne studies found consistent results to support their hypothesis that both economic incentives and the physical working conditions of the workplace affect productivity.

Ans: True

Response: Page 35

Difficulty: Moderate

AACSB: Environmental Influence

Bloom's Taxonomy: Comprehension

126. Neither group atmosphere nor participative supervision was found to be an important explanatory factor for improved productivity in the relay assembly test-room studies at Western Electric's Hawthorne Works.

Ans: False

Response: Page 35

Difficulty: Moderate

AACSB: Environmental Influence

Bloom's Taxonomy: Analysis

127. Research has discovered that people would restrict their output in order to avoid the displeasure of the group, even if it meant sacrificing pay that could otherwise be earned by increasing output.

Ans: True

Response: Page 36

Difficulty: Easy
AACSB: Group Dynamics
Bloom's Taxonomy: Knowledge

128. The Hawthorne Studies shifted the attention of managers and scholars away from the technical and structural concerns emphasized by the classical management approach toward the study of social and human concerns as keys to productivity.

Ans: True
Response: Page 36
Difficulty: Moderate
AACSB: Operations Management
Bloom's Taxonomy: Knowledge

129. A key lesson from the Hawthorne studies is that people's feelings, attitudes, and relationships with co-workers have very little influence their performance as compared with compensation and incentives.

Ans: False
Response: Page 36
Difficulty: Moderate
AACSB: Group Dynamics
Bloom's Taxonomy: Analysis

130. A major finding of the Hawthorne studies is physical working conditions have a much greater impact on worker performance and productivity than people's feelings, attitudes, and relationships with their co-workers.

Ans: False
Response: Page 36
Difficulty: Moderate
AACSB: Operations Management
Bloom's Taxonomy: Comprehension

131. The Hawthorne studies contributed to the emergence of the human relations movement, which emphasized the notion that managers who use good human relations in the workplace will achieve higher levels of worker productivity.

Ans: True
Response: Page 36
Difficulty: Moderate
AACSB: Operations Management
Bloom's Taxonomy: Application

132. The human relations movement demonstrates that people who are singled out and given special attention at work tend to perform in the manner they feel they are expected to perform.

Ans: False
Response: Page 36
Difficulty: Moderate
AACSB: Individual Dynamics
Bloom's Taxonomy: Comprehension

133. An important contribution to the human relations movement was Douglas McGregor's work which described the role that human needs play in motivating people in the workplace.

Ans: False
Response: Page 36
Difficulty: Easy
AACSB: Motivation Concepts
Bloom's Taxonomy: Analysis

134. Maslow's research on the importance of "human needs" has had a major impact on management.

Ans: True
Response: Page 37
Difficulty: Moderate
AACSB: Motivation Concepts
Bloom's Taxonomy: Comprehension

135. A need is a physiological or psychological deficiency that a person wants to satisfy.

Ans: True
Response: Page 37
Difficulty: Easy
AACSB: Motivation Concepts
Bloom's Taxonomy: Knowledge

136. Maslow's theory of human needs uses his satisfaction principle describing the relative importance of five need levels arranged in a hierarchy.

Ans: False
Response: Page 37
Difficulty: Moderate

AACSB: Motivation Concepts
Bloom's Taxonomy: Comprehension

137. According to Maslow, the more the need to be self-actualized is satisfied, the weaker it becomes.

Ans: False
Response: Page 37
Difficulty: Moderate
AACSB: Motivation Concepts
Bloom's Taxonomy: Knowledge

138. According to Maslow, when needs at a particular level are satisfied, these needs are no longer a motivator, and the next higher level of needs becomes active.

Ans: True
Response: Page 37
Difficulty: Easy
AACSB: Motivation Concepts
Bloom's Taxonomy: Comprehension

139. Physiological needs refer to the needs for physical closeness and relationships with others.

Ans: False
Response: Page 37
Difficulty: Moderate
AACSB: Motivation Concepts
Bloom's Taxonomy: Knowledge

140. Safety needs refer to the needs for security, protection, and stability in the events of daily life.

Ans: True
Response: Page 37
Difficulty: Easy
AACSB: Motivation Concepts
Bloom's Taxonomy: Knowledge

141. Social needs concern the needs for respect, prestige, recognition, and self-esteem; and a personal sense of competency and mastery.

Ans: False
Response: Page 37

Difficulty: Moderate
AACSB: Motivation Concepts
Bloom's Taxonomy: Knowledge

142. Esteem needs involve the needs for love, affection, and belongingness in one's relationships with other people.

Ans: False
Response: Page 37
Difficulty: Moderate
AACSB: Motivation Concepts
Bloom's Taxonomy: Knowledge

143. Self-actualization is a term used by Maslow to explain why managers who understand and help people satisfy higher order needs at work will achieve greater levels of productivity.

Ans: False
Response: Page 37
Difficulty: Moderate
AACSB: Motivation Concepts
Bloom's Taxonomy: Knowledge

144. According to the Maslow's progression principle of human needs, a satisfied need is not a motivator of behavior.

Ans: False
Response: Page 37
Difficulty: Moderate
AACSB: Motivation Concepts
Bloom's Taxonomy: Knowledge

145. According to Maslow, social needs involve one's need for respect, recognition, and affiliation.

Ans: False
Response: Page 37
Difficulty: Easy
AACSB: Motivation Concepts
Bloom's Taxonomy: Knowledge

146. Douglas McGregor believed that managers can increase employee performance by focusing on improving the physical conditions in the work environment because these are more important than the social needs of employees.

Ans: False
Response: Page 38
Difficulty: Moderate
AACSB: Environmental Influence
Bloom's Taxonomy: Application

147. According to McGregor, Theory X managers assume that subordinates are: willing to work, capable of self-control, willing to accept responsibility, imaginative and creative, and capable of self-direction.

Ans: False
Response: Page 38
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

148. According to McGregor, Theory Y managers assume that subordinates are lazy, dislike work, lack ambition, are irresponsible, and prefer to be given directions rather than to manage their own work.

Ans: False
Response: Page 38
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

149. Based on McGregor's Theory, we may conclude Theory X managers would be more effective in motivating subordinates because they believe their subordinates like work, are self-motivated and are willing to accept responsibility.

Ans: False
Response: Page 38
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Synthesis

150. Theory X managers lead in a directive fashion by taking a command-and-control orientation with their employees.

Ans: True
Response: Page 38
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

151. Based on McGregor's theory, Theory Y managers place more emphasis on workforce diversity, an employee empowerment, involvement and self-management.

Ans: True
Response: Page 38
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

152. According to Chris Argyris, management principles and practices associated with classical management approaches are inconsistent with the mature adult personality.

Ans: True
Response: Page 38
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

153. Argyris contends implementing classical management ideas such as the bureaucratic organization and Fayol's administrative principles will ensure that workers are productive and efficient.

Ans: False
Response: Page 38
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Analysis

154. In contract to Weber, Argyris believes that people work more efficiently in a clear hierarchy of authority, with those at higher levels controlling people at lower levels in the organization.

Ans: False
Response: Page 38
Difficulty: Easy
AACSB: Individual Dynamics
Bloom's Taxonomy: Knowledge

155. According to Argyris's theory of personality and organization, managers who treat people as mature and responsible adults will achieve the highest productivity.

Ans: True

Response: Page 39

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Synthesis

156. Argyris believes employee absenteeism, turnover, apathy and low morale are caused by lack of adequate supervision and poorly defined tasks.

Ans: False

Response: Page 39

Difficulty: Moderate

AACSB: Individual Dynamics

Bloom's Taxonomy: Synthesis

157. What did the behavioral management approaches contribute to management thinking?

Ans: The basic assumption of the behavioral management approaches is that people are social and self-actualizing. These approaches include the Hawthorne studies, Maslow's theory of human needs, McGregor's Theory X and Theory Y, and Argyris's theory of adult personality. The key contribution of the Hawthorne studies is that people's feelings, attitudes, and relationships with co-workers influence their performance. Maslow's hierarchy of human needs suggests that managers who can help people satisfy their important needs at work will achieve productivity. Douglas McGregor, the developer of Theory X and Theory Y, argued that managers should devote more attention to people's social and self-actualizing needs at work. McGregor asserted that managers must shift their perspective from Theory X — a set of negative assumptions about human behavior — to Theory Y — a set of positive assumptions about human behavior. McGregor believed that managers who hold either set of assumptions can create self-fulfilling prophecies — that is, through their behavior they can create situations where subordinates act to confirm the managers' original expectations. Theory Y assumptions are central to contemporary ideas about employee participation, involvement, empowerment, and self-management. Argyris argued that organizations were too often structured and operated in ways that were incongruous with the needs and characteristics of the adult personality. He maintained that implementation of classical management ideas such as the bureaucratic organization and Fayol's administrative principles would create conditions for psychological failure among the workers, create dependent and passive workers, cause workers to have little sense of control over their work environments, and undermine worker performance. To have high individual and organizational performance, Argyris advocated transforming organizations so they would be compatible with the capacities and characteristics of the adult personality.

Response: Page 34-35

Difficulty: Moderate

Ref: Behavioral Management Approaches

AACSB: Leadership Principles
Bloom's Taxonomy: Analysis

Modern Management Foundations

158. Quantitative management is the study of the application of mathematical techniques to improve decision-making and problem-solving.

Ans: False
Response: Page 40
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

159. The quantitative analysis approaches use mathematical techniques to improve managerial decision-making and problem solving.

Ans: True
Response: Page 40
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

160. Management science focuses specifically on how organizations produce goods efficiently and effectively.

Ans: False
Response: Page 40
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

161. Management science refers to the scientific application of mathematical techniques to management problems and decision-making.

Ans: True
Response: Page 40
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

162. Contingency thinking is a managerial approach to understand the demands presented by a given situation and determine the best way to respond.

Ans: True
Response: Page 41
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

163. Total quality management describes the process of always finding new ways to improve.

Ans: False
Response: Page 42
Difficulty: Easy
AACSB: Strategy
Bloom's Taxonomy: Knowledge

164. Mathematical forecasting helps make future projections that are useful for planning.

Ans: True
Response: Page 40
Difficulty: Easy
AACSB: Strategy
Bloom's Taxonomy: Knowledge

165. Inventory modeling is used to help allocate service personnel or workstations to minimize customer waiting time and service cost.

Ans: False
Response: Page 40
Difficulty: Moderate
AACSB: Strategy
Bloom's Taxonomy: Comprehension

166. Queuing theory is used to calculate how best to allocate resources among competing uses.

Ans: False
Response: Page 40
Difficulty: Moderate

AACSB: Strategy
Bloom's Taxonomy: Knowledge

167. Network models break large tasks into smaller components allowing for better analysis, planning, and control of complex projects.

Ans: True
Response: Page 40
Difficulty: Moderate
AACSB: Strategy
Bloom's Taxonomy: Comprehension

168. Systems thinking views the organization as a collection of interrelated parts with the goal that everyone in the organization should understand how it works

Ans: True
Response: Page 41
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

169. A smaller component of a larger system is known as a subsystem.

Ans: True
Response: Page 41
Difficulty: Easy
AACSB: Operations Management
Bloom's Taxonomy: Knowledge

170. An open system interacts with its environment in the continual process of transforming resource inputs into outputs.

Ans: True
Response: Page 41
Difficulty: Moderate
AACSB: Operations Management
Bloom's Taxonomy: Comprehension

171. High performance by the organization as a whole occurs only when each subsystem performs its tasks well and works well in cooperation with other subsystems.

Ans: True
Response: Page 41
Difficulty: Moderate
AACSB: Operations Management
Bloom's Taxonomy: Comprehension

172. According to contingency thinking, appropriate managerial behavior can be generalized or extrapolated from other situations.

Ans: False
Response: Page 41
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

173. Contingency thinking maintains that the best solution to management problems depends on the demands of the situation and that therefore, there is not one best way to manage.

Ans: True
Response: Page 41
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

174. Contingency thinking involves matching responses to the unique problems and opportunities posed by different situations and by individual and environmental differences.

Ans: True
Response: Page 41
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Application

175. According to contingency thinking, a management solution that works well in an uncertain environment will not necessarily work well in a stable environment.

Ans: True
Response: Page 41
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Application

176. Contingency thinking is consistent with Weber's concept of bureaucracy which is an ideal form of organizing.

Ans: False
Response: Page 42
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Analysis

177. Total Quality Management is an organization-wide commitment to continuous improvement, product quality, and customer needs.

Ans: True
Response: Page 42
Difficulty: Easy
AACSB: Strategy
Bloom's Taxonomy: Knowledge

178. Deming's approach to quality emphasizes constant innovation, use of statistical methods, and commitment to training.

Ans: True
Response: Page 42
Difficulty: Moderate
AACSB: Strategy
Bloom's Taxonomy: Knowledge

179. Total Quality Management focuses primarily on specific quality issues within a particular segment within the larger organization.

Ans: False
Response: Page 42
Difficulty: Hard
AACSB: Strategy
Bloom's Taxonomy: Comprehension

180. Always searching for ways to improve work quality and performance is the management notion of continuous improvement.

Ans: True
Response: Page 43
Difficulty: Easy

AACSB: Strategy
Bloom's Taxonomy: Knowledge

181. ISO certification indicates conformance with a rigorous set of international quality standards.

Ans: True
Response: Page 43
Difficulty: Easy
AACSB: Operations Management
Bloom's Taxonomy: Knowledge

182. ISO certification requires companies to adopt quality benchmarks and then maintain them with strict conformity to quality that strongly discourages change or refinement.

Ans: False
Response: Page 43
Difficulty: Hard
AACSB: Operations Management
Bloom's Taxonomy: Comprehension

183. Knowledge management is the process that uses intellectual capital for competitive advantage.

Ans: True
Response: Page 43
Difficulty: Easy
AACSB: Strategy
Bloom's Taxonomy: Knowledge

184. The chief knowledge officer (CKO) assumes responsibility for energizing learning processes and maintaining and enhancing the organization's portfolio of intellectual assets.

Ans: True
Response: Page 43
Difficulty: Easy
AACSB: Strategy
Bloom's Taxonomy: Knowledge

185. Some of the portfolio assets that the CKO is responsible for maintaining include patents, trade secrets, and the accumulated knowledge and understanding of the entire workforce.

Ans: True

Response: Page 43
Difficulty: Moderate
AACSB: Strategy
Bloom's Taxonomy: Application

186. A learning organization is able to continually learn and adapt itself to new experiences.

Ans: True
Response: Page 43
Difficulty: Easy
AACSB: Strategy
Bloom's Taxonomy: Knowledge

187. The core ingredients of learning organizations include mental models, personal mastery, systems thinking, shared vision, and team learning.

Ans: True
Response: Page 44
Difficulty: Easy
AACSB: Strategy
Bloom's Taxonomy: Knowledge

188. Learning organizations make learning continuously available to everyone.

Ans: True
Response: Page 43
Difficulty: Easy
AACSB: Strategy
Bloom's Taxonomy: Knowledge

189. Learning organizations should emphasize values that focus on information, teamwork, empowerment, participation, and leadership.

Ans: True
Response: Page 43
Difficulty: Easy
AACSB: Strategy
Bloom's Taxonomy: Application

190. Peters and Waterman's attributes of performance excellence include a bias toward action, closeness to the customers, simple form and lean staff, and productivity through people.

Ans: True
Response: Page 44
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

191. Evidence based management involves making decisions based on hard facts about what really works.

Ans: True
Response: Page 46
Difficulty: Easy
AACSB: Leadership Principles
Bloom's Taxonomy: Knowledge

192. Management science focuses specifically on _____.
A. how organizations create products and services
B. finding new ways to improve quality
C. determining the one best way to manage
D. applying mathematical techniques to solve management problems
E. improving organizational systems and subsystems

Ans: D
Response: Page 40
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

193. There is a renewed emphasis on how to really use available data to make better management decisions. This is an area known as _____ which is the use of data to solve problems and make informed decisions using systematic analysis.
A. analytics
B. motion study
C. theory X
D. theory Y
E. None of the above

Ans: A
Response: Page 40
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Application

194. A real estate developer wants to control costs and complete building a new apartment complex on time. The developer will use the _____ quantitative approach.
- A. Network models
 - B. Inventory analysis
 - C. Queuing theory
 - D. Linear programming
 - E. Mathematical forecasting

Ans: A

Response: Page 40

Response: Moderate

AACSB: Strategy

Bloom's Taxonomy: Application

195. An oil exploration company is worried about future petroleum reserves in various parts of the world. The oil company will use the _____ quantitative approach.
- A. Network models
 - B. Inventory analysis
 - C. Queuing theory
 - D. Linear programming
 - E. Mathematical forecasting

Ans: E

Response: Page 40

Difficulty: Moderate

AACSB: Strategy

Bloom's Taxonomy: Application

196. A “big box” retailer is trying to deal with pressures on profit margins by minimizing _____ costs of inventories while never being “out of stock” for their customers. The big box _____ retailer will use the _____ quantitative approach.
- A. Network models
 - B. Inventory analysis
 - C. Queuing theory
 - D. Linear programming
 - E. Mathematical forecasting

Ans: B

Response: Page 40

Difficulty: Moderate

AACSB: Strategy

Bloom's Taxonomy: Application

197. A grocery store is getting complaints from customers that waiting times are too long for checkout during certain times of the day. The grocery store will use the _____ quantitative approach.
- A. Network models
 - B. Inventory analysis
 - C. Queuing theory
 - D. Linear programming
 - E. Mathematical forecasting

Ans: C

Response: Page 40

Difficulty: Moderate

AACSB: Strategy

Bloom's Taxonomy: Application

198. _____ is the study of how organizations produce goods and services..
- A. Management science
 - B. Managerial effectiveness
 - C. Operations management
 - D. A transformation system
 - E. Scientific management

Ans: C

Response: Page 40

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

199. A _____ is a collection of interrelated parts that function together to achieve a common purpose.
- A. Contingency.
 - B. System.
 - C. Mathematical model.
 - D. Quantitative structure.
 - E. Need hierarchy.

Ans: B

Response: Page 41

Difficulty: Easy

AACSB: Operations Management

Bloom's Taxonomy: Knowledge

1200. A smaller component of a larger system is known as _____.
- A. A subsystem.
 - B. A supersystem.

- C. A department.
- D. A team.
- E. A contingent operation.

Ans: A

Response: Page 41

Difficulty: Easy

AACSB: Operations Management

Bloom's Taxonomy: Knowledge

201. A system that actively interacts with its environment in the continual process of transforming inputs into outputs is best described as a(n)
- A. subsystem.
 - B. closed system.
 - C. department.
 - D. transformation system
 - E. open system

Ans: E

Response: Page 41

Difficulty: Moderate

AACSB: Operations Management

Bloom's Taxonomy: Knowledge

202. A system is defined as open because _____.
- A. It is permissive in observing the various principles of management.
 - B. Its subsystems do not relate to one another.
 - C. It uses Theory X management assumptions.
 - D. It interacts with its environment in the continual process of transforming resource inputs into outputs.
 - E. It treats its employees as responsible adults.

Ans: D

Response: Page 41

Difficulty: Moderate

AACSB: Operations Management

Bloom's Taxonomy: Knowledge

203. Chevrolet-Pontiac of Canada is a division of General Motors and is composed of several departments. Using the systems theory, it would be classified as _____.
- A. an entropic system
 - B. a subsystem
 - C. either a system or a subsystem depending on the frame of reference
 - D. either an open or a closed system depending on the frame of reference
 - E. a closed system

Ans: C

Response: Page 41

Difficulty: Hard

AACSB: Operations Management

Bloom's Taxonomy: Application

204. Matching managerial responses to the unique problems and opportunities posed by different situations is called _____.

- A. Quantitative analysis.
- B. Rationalism.
- C. The theory of applicability.
- D. Contingency thinking.
- E. Self-actualization.

Ans: D

Response: Page 41

Difficulty: Easy

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

205. Matching managerial responses to the problems and opportunities created by individual and environmental differences is the focus of _____.

- A. Quantitative management.
- B. Systems analysis.
- C. Contingency thinking.
- D. Hierarchical analysis.
- E. Human resources thinking.

Ans: C

Response: Page 41

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

206. Melissa uses whatever style of management seems to best fit the individual employee's needs. Her management style displays which theory of management?

- A. Bureaucratic management
- B. Total Quality Management
- C. The contingency approach
- D. Theory X and Y
- E. Maslow's Theory

Ans: C

Response: Page 41

Difficulty: Hard
AACSB: Leadership Principles
Bloom's Taxonomy: Application

207. According to contingency theories, _____.
- A. The best management approach is based on Theory Y assumptions.
 - B. There is no one best management approach.
 - C. The best management approach employs formal mathematical models.
 - D. The best management approach takes human factors into consideration.
 - E. The best management approach focuses on the economic realities of decision making.

Ans: B
Response: Page 41
Difficulty: Moderate
AACSB: Leadership Principles
Bloom's Taxonomy: Comprehension

208. Which of the following is a true statement about Total Quality Management?
- A. It focuses on applying quantitative management approaches to the production of goods and services.
 - B. It is a process of making a commitment to applying quality standards and principles to the way operations are managed in all parts of the organization.
 - C. It focuses on reducing the cost of production.
 - D. States that there is one best way to manage people and operations.
 - E. Is a method of determining how to best allocate scarce resources among competing uses.

Ans: B
Response: Page 42
Difficulty: Hard
AACSB: Strategy
Bloom's Taxonomy: Analysis

209. Continuous improvement is _____.
- A. another term used to describe total quality management.
 - B. a method used to make future projections
 - C. a process of always searching for better ways to improve operations
 - D. a method of reducing production and operating costs.
 - E. a method of determining resource allocation.

Ans: C
Response: Page 43
Difficulty: Easy
AACSB: Strategy
Bloom's Taxonomy: Knowledge

210. The basic principles behind TQM that Deming taught the Japanese include:
- A. Tally defects, analyze and trace them to the source, make corrections, measure what follows.
 - B. Tally defects, analyze and trace them to the source, redesign the manufacturing process
 - C. Tally defects, analyze and trace them to the source, make corrections
 - D. Tally defects, analyze and trace them to the source, make corrections, solicit customer feedback
 - E. None of the above

Ans: A

Response: Page 42

Difficulty: Moderate

AACSB: Strategy

Bloom's Taxonomy: Analysis

211. Operations and management services in organizations worldwide have adopted international quality standards known as:
- A. Knowledge management
 - B. Continuous improvement
 - C. ISO certification
 - D. Total Quality Management
 - E. Evidence based management

Ans: C

Response: Page 43

Difficulty: Moderate

AACSB: Operations Management

Bloom's Taxonomy: Knowledge

212. _____ is the process of using intellectual capital for competitive advantage.
- A. Knowledge management
 - B. Continuous improvement
 - C. ISO certification
 - D. Total Quality Management
 - E. Evidence based management

Ans: A

Response: Page 43

Difficulty: Easy

AACSB: Strategy

Bloom's Taxonomy: Knowledge

213. All of the following are intellectual assets of an organization's portfolio which the Chief Knowledge Officer (CKO) oversees except:
- A. Patents
 - B. Intellectual property rights
 - C. Trade secrets
 - D. Accumulated knowledge of the workforce
 - E. ISO certification

Ans: E

Response: Page 43

Difficulty: Hard

AACSB: Strategy

Bloom's Taxonomy: Analysis

214. A _____ is able to continually learn and adapt itself to new experiences.
- A. Learning organization.
 - B. Systems organization.
 - C. Change organization.
 - D. Values organization.
 - E. Experience-based organization.

Ans: A

Response: Page 43

Difficulty: Easy

AACSB: Strategy

Bloom's Taxonomy: Knowledge

215. During a job interview, Jim was told by one of the team leaders that the company uses lessons of experience to promote continuous change and improvement. Jim interviewed for a job in which kind of organization?
- A. A Theory X organization.
 - B. A contingency organization.
 - C. A learning organization.
 - D. A bureaucratic organization.
 - E. A mature organization.

Ans: C

Response: Page 43

Difficulty: Moderate

AACSB: Strategy

Bloom's Taxonomy: Application

216. Which of the following is NOT a core ingredient of learning organizations?
- A. Mental models.
 - B. Personal mastery.

- C. Systems thinking.
- D. Shared vision.
- E. Individual learning.

Ans: E

Response: Page 64

Difficulty: Moderate

AACSB: Strategy

Bloom's Taxonomy: Knowledge

217. Which of the following statements provides an incorrect description of learning organizations?
- A. Learning organizations should emphasize values that focus on information, teamwork, empowerment, participation, and leadership.
 - B. Learning organizations depend on leadership that sets an example for others by embracing change and communicating enthusiasm.
 - C. Learning organizations refer to vendors that provide training programs for other organizations.
 - D. Learning organizations require a value-driven culture.
 - E. Learning organizations make learning continuously available to everyone.

Ans: C

Response: Page 43

Difficulty: Moderate

AACSB: Strategy

Bloom's Taxonomy: Analysis

218. Stacey manages a department of 20 sales people. When any of her sales people come to her with a concern over dealing with a particularly difficult customer Stacey always asks for the “hard facts” about what really works in solving this situation as opposed to solutions that merely sound good. Stacey is engaging in the use of:
- A. Evidence-based management
 - B. Command and control management
 - C. Self-management
 - D. Open systems management
 - E. None of the above

Ans: A

Response: Page 44

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Application

219. Peters and Waterman’s attributes of performance excellence include all of the following EXCEPT:
- A. A bias toward action.

- B. Closeness to the customers.
- C. Closeness of supervision.
- D. Autonomy and entrepreneurship.
- E. Productivity through people.

Ans: C

Response: Page 44

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Knowledge

220. What is systems thinking? What is contingency thinking? Why are both types of thinking useful for managers in contemporary organizations?

Ans: Systems thinking views organizations as open systems that interact with their environment in a continual process of transforming resource inputs into product outputs. Systems thinking also views the organization as a collection of interrelated parts or subsystems that must function together to achieve a common purpose. Each subsystem needs to perform its tasks well and to work well with the other subsystems.

Contingency thinking tries to match managerial responses with the problems and opportunities unique to different situations, particularly those posed by individual and environmental differences. Contingency approaches to management assert that there is no one best way to manage. Instead, managers should understand individual and situational differences and respond to them in appropriate ways.

Systems thinking and contingency thinking recognize the realities of complex modern organizations and their interplay with dynamic and competitive global environments. Failure to embrace either systems thinking or contingency thinking undermines the effective management and leadership of organizations.

Response: Page 39

Difficulty: Moderate

AACSB: Leadership Principles

Bloom's Taxonomy: Analysis

Classical Management Approaches, Behavioral Management Approaches

221. Assume you are a manager working in one of today's Fortune 500 Companies. Discuss how you would attempt to influence the motivation of your workforce using the classical approach to management. How would you attempt to influence the motivation of your workforce using the behavioral management approach to management?

Ans: The students should draw on the material in their answers to the preceding two questions to address the applied issue in this question. The students should identify both the ideas they are using and how they are using them. The emphasis should be on the practical application of these ideas.

Response: Page 30-31 & 34-35

Difficulty: Hard
AACSB: Motivation Concepts
Bloom's Taxonomy: Synthesis

Knowledge Management and Organizational Learning

222. Why is knowledge management such a critical component of today's organizations? Why is Google a good example of a dynamic knowledge management company?

Ans: Our technology-driven world is both rich with information and demanding in the pace and uncertainty of change. And although this is a setting in which knowledge workers excel, Peter Drucker has warned that "knowledge constantly makes itself obsolete." His message is worth hearing. It suggests that neither people nor organizations can afford to rest on past laurels; future success will be earned only by those who continually build and use knowledge to the fullest extent possible.

The term **knowledge management** describes the processes through which organizations use information technology to develop, organize, and share knowledge to achieve performance success. You can spot the significance of knowledge management with the presence of an executive job title—chief knowledge officer. The "CKO" is responsible for energizing learning processes and making sure that an organization's portfolio of intellectual assets is well managed and continually enhanced. These assets include such things as patents, intellectual property rights, trade secrets, and special processes and methods, as well as the accumulated knowledge and understanding of the entire workforce.

Google can be considered a knowledge management company. It not only runs a business model based on information searches; it operates as an organization with an information-rich culture driven by creativity and knowledge. Google morphs and grows and excels, in part, because the firm is organized and operates in ways that continually tap the developing knowledge of its members. Its information technologies and management philosophies help and encourage employees located around the world to share information and collaborate to solve problems and explore opportunities. The net result is a firm that seems to keep competitors and the business community at large always guessing what its next steps might be.

Response: Page 43

Difficulty: Hard
AACSB: Strategy
Bloom's Taxonomy: Analysis