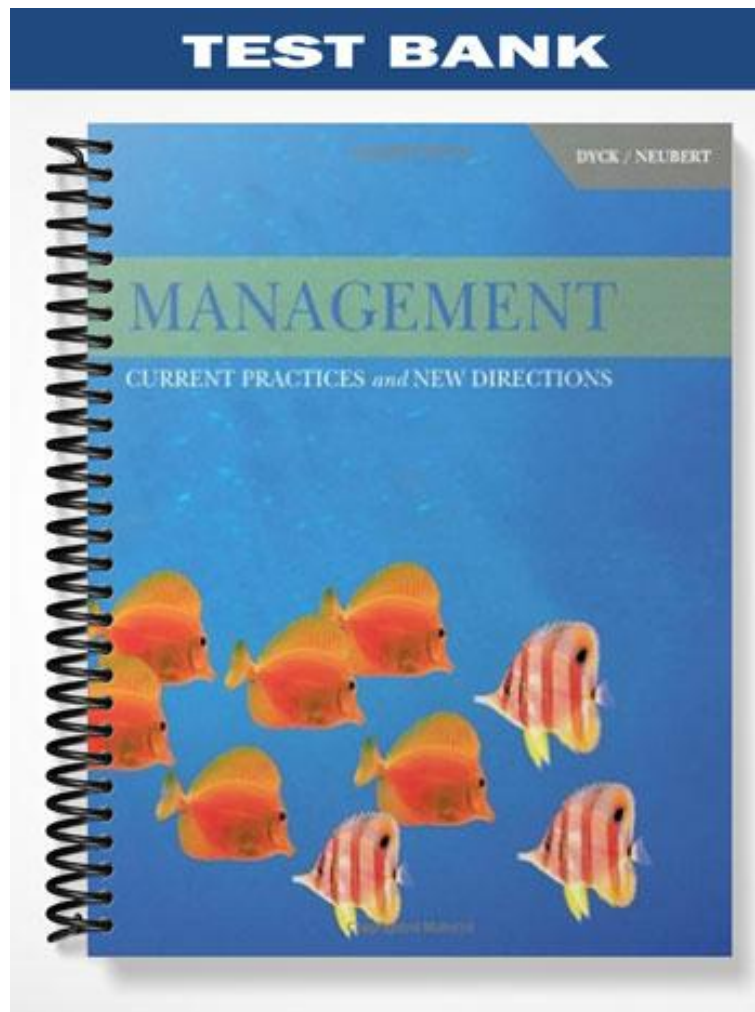


TEST BANK



CHAPTER 2

A Short History of Management Theory and Practice

1. T F If Alpha Printing had "one best way" to managing, it would be associated with the "calculating" era of management.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles
Difficulty: Moderate Page: 39 Style: Application
2. T F The interpersonal aspects of management are associated with the "values and beliefs" era of management.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles
Difficulty: Moderate Page: 43 Style: Knowledge
3. T F Strategic management is part of the "calculating" era of management.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Moderate
Page: 47 Style: Knowledge
4. T F The "values and beliefs" era of management encompasses the social construction of reality.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Moderate
Page: 48 Style: Knowledge
5. T F The "calculating" era of management preceded the "classical" era.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Easy
Page: 44 Style: Knowledge
6. T F Religious and spiritual beliefs influence the way management practices unfold.
Ans: True AACSB Tier 1: Reflective Thinking AACSB Tier 2: Ethics Difficulty: Easy
Page: 52 Style: Knowledge
7. T F The "Hawthorne effect" stemmed from the "human" era of management.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Group Dynamics Difficulty: Easy
Page: 44 Style: Knowledge
8. T F The mechanistic versus organic structures of organization originated from the "calculating" era of management.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Moderate
Page: 46 Style: Knowledge
9. T F The origins of contemporary management can be found in the Industrial Revolution.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Easy
Page: 37 Style: Knowledge

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10. T F The growth of religious beliefs contributed to the development of management in the Wedgwood company.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences
Difficulty: Moderate Page: 33 Style: Application
11. T F An economic system based on reciprocity involves ensuring that everyone has enough.
Ans: False AACSB Tier 1: Ethics AACSB Tier 2: Ethical Responsibilities Difficulty: Moderate
Page: 35 Style: Knowledge
12. T F An economic system based on redistribution involves being neighborly enough to trade with each other.
Ans: False AACSB Tier 1: Ethics AACSB Tier 2: Ethical Responsibilities Difficulty: Moderate
Page: 35 Style: Knowledge
13. T F Michael is engaged in an economic system of householding when he acts as a good steward of environmental resources for the bigger community.
Ans: True AACSB Tier 1: Ethics AACSB Tier 2: Ethical Responsibilities Difficulty: Moderate
Page: 35 Style: Application
14. T F Adam Smith's idea of the "invisible hand" focuses on increasing collaboration as a community.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Creation of Value Difficulty: Moderate
Page: 35 Style: Knowledge
15. T F Weber's idea of the "iron cage" can be illustrated by many ambitious MBAs on the fast track because many have an excessive focus on materialism.
Ans: True AACSB Tier 1: Reflective Thinking AACSB Tier 2: Individual Dynamics
Difficulty: Easy Page: 35 Style: Application
16. T F Weber thinks that the "iron cage" is an "irresistible force."
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Easy
Page: 35 Style: Knowledge
17. T F Weber argues strongly in favor of materialist-individualist goals as a way to increase the well-being of humanity.
Ans: False AACSB Tier 1: Ethics AACSB Tier 2: Ethical Responsibilities Difficulty: Moderate
Page: 35 Style: Application
18. T F Before modern-day corporations, large business organizations began in the church.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences
Difficulty: Moderate Page: 32 Style: Knowledge
19. T F Changes in social and legal meanings supported the growth of modern management.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences
Difficulty: Moderate Page: 32 Style: Knowledge
20. T F When Trixie started her business with limited liability, it meant that she did not have to be responsible to customers.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Legal Responsibilities
Difficulty: Moderate Page: 38 Style: Application

21. T F The maximum an owner can lose in a business with limited liability is the amount invested.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Legal Responsibilities Difficulty: Moderate
Page: 37 Style: Knowledge
22. T F Corporations influenced government policies through advertising and think tanks.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Easy
Page: 38 Style: Knowledge
23. T F The four functions of management started with a focus on organizing before shifting to leading.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences
Difficulty: Moderate Page: 39 Style: Knowledge
24. T F The four functions of management started with a focus on controlling and then moved to planning.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Easy
Page: 39 Style: Knowledge
25. T F Gantt charts are used to developing lobbying strategies to influence government policies.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences
Difficulty: Moderate Page: 40 Style: Knowledge
26. T F According to the philosophy of scientific management, human values and beliefs must be the first priority of for-profit organizations.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Creation of Value Difficulty: Easy
Page: 39 Style: Knowledge
27. T F Unity of command means that each employee reports to only one person.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Moderate
Page: 41 Style: Application
28. T F Ford's pioneering work with the structure and dynamics of organizations is an example of the "classical" era.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Easy
Page: 41 Style: Application
29. T F As a manager, Harold believes that employees are basically lazy and want to be directed; this means he practices Theory Y.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Easy
Page: 43 Style: Application
30. T F As a manager, Harold believes that employees are basically lazy and want to be directed; this means he practices Theory X.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Easy
Page: 43 Style: Application
31. T F At Cummins Engines, the workers in the assembly lines set the pace of work; this is an example of Theory Y control systems.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Easy
Page: 43 Style: Application

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32. T F A systems analysis approach was developed as a means of understanding complex problems.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Easy
Page: 44 Style: Knowledge
33. T F The use of quantitative techniques to help make decisions is part of operations management.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Easy
Page: 45 Style: Knowledge
34. T F Determining timing and quantity for ordering supplies depended on time and motion studies.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Operations Management
Difficulty: Moderate Page: 45 Style: Knowledge
35. T F Managers using a closed system are more likely to achieve synergy.
Ans: False AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Easy
Page: 45 Style: Knowledge
36. T F When we ascribe meaning to people, we are engaged in a social construction of reality.
Ans: True AACSB Tier 1: Reflective Thinking AACSB Tier 2: Individual Dynamics
Difficulty: Easy Page: 48 Style: Knowledge
37. T F Major environmental problems facing humanity partially drive the need for Mainstream management.
Ans: False AACSB Tier 1: Reflective Thinking AACSB Tier 2: Environmental Influences
Difficulty: Easy Page: 51 Style: Application
38. T F Religion and spirituality influence the way management is practiced.
Ans: True AACSB Tier 1: Reflective Thinking AACSB Tier 2: Ethical Responsibilities
Difficulty: Easy Page: 35 Style: Comprehension
39. T F Social entrepreneurship is related to Multistream management.
Ans: True AACSB Tier 1: Ethics AACSB Tier 2: Ethical Responsibilities Difficulty: Easy
Page: 53 Style: Knowledge
40. T F Most management practices today focus on Mainstream approaches.
Ans: True AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Easy
Page: 52 Style: Knowledge
41. The "classical" era of management included
a) the "one best way."
b) the leader as facilitator.
c) systems theory.
d) bounded rationality.
e) organizational culture.
Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Easy
Page: 40 Style: Knowledge

42. _____ is(are) most closely associated with the "human" era of management.
- Institutionalization
 - Contingency theory
 - Job stress
 - Bounded rationality
 - Basic organizing principles
- Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate*
Page: 41 Style: Knowledge
43. Mechanistic versus organic structure originated in the " _____ " era of management.
- values and beliefs
 - human
 - organizing
 - calculating
 - All of these.
- Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate*
Page: 46 Style: Knowledge
44. The "values and beliefs" era of management includes
- interpersonal aspects of management.
 - time and motion studies.
 - macro approach and bureaucracy.
 - management science.
 - None of these.
- Ans: e AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate*
Page: 47 Style: Knowledge
45. Positive psychology is most closely associated with the " _____ " era(s) of management.
- bounded rationality
 - human
 - values and beliefs
 - human, and values and beliefs
 - None of these.
- Ans: e AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate*
Page: 52 Style: Knowledge
46. Contingency theory and strategic choice followed from ideas such as _____ and preceded ideas such as _____.
- time and motion studies; social construction of reality
 - social construction of reality; stakeholder theory
 - leaders as facilitators; informal structure
 - bounded rationality; time and motion studies
 - job stress; informal structure
- Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Difficult*
Page: 40 & 48 Style: Knowledge
47. Studying about management has been going on for the last _____ years.
- 10
 - 50
 - 100
 - 1000
 - 50,000
- Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Easy*
Page: 38 Style: Knowledge

48. Social construction means that the meaning of management
- should retain the principles of its scientific origins, such as time and motion studies.
 - evolves over time.
 - is determined by senior managers of an organization.
 - is defined by management researchers.
 - None of these.
- Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate*
Page: 34 Style: Knowledge
49. Our modern day economic system is the first one in human history to be based on _____.
- Max Weber's system of bureaucracy.
 - bounded rationality.
 - time and motion studies.
 - economic gain.
 - feudalism.
- Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Easy*
Page: 35 Style: Knowledge
50. Materialism and individualism had their origins in
- the European Reformation.
 - Weber's bureaucracy.
 - Weber's "iron cage."
 - Ford's assembly line.
 - the Industrial Revolution.
- Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate*
Page: 35 Style: Knowledge
51. Early economic systems were based on the principles of
- reciprocity only.
 - redistribution only.
 - householding only.
 - reciprocity and householding.
 - reciprocity and redistribution.
- Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Group Dynamics Difficulty: Easy*
Page: 35 Style: Knowledge
52. Before the 1400s in Western Europe, economic systems were based on principles of
- neighborly trading.
 - ensuring that all community members had enough.
 - stewardship, or managing resources for the larger community.
 - neighborly trading and ensuring that all community members had enough.
 - All of these.
- Ans: e AACSB Tier 1: Analytic AACSB Tier 2: Group Dynamics Difficulty: Moderate*
Page: 35 Style: Comprehension

53. _____ means having an economic system based on stewardship of resources for the community as a whole.

- a) Neighborliness
- b) Trading
- c) Householding
- d) Homesteading
- e) Redistribution

Ans: c AACSB Tier 1: Ethics AACSB Tier 2: Ethical Responsibilities Difficulty: Moderate
Page: 35 Style: Knowledge

54. The two major characteristics of Mainstream management are _____ and _____.

- a) materialism; stewardship
- b) materialism; individualism
- c) stewardship; individualism
- d) objectivism; social construction
- e) bounded rationality; individualism

Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Moderate
Page: 35 Style: Knowledge

55. The European Reformation influenced Western management ideas through its interpretation of work as

- a) a calling from God.
- b) a way to build a large corporation based on scientific management.
- c) a scientific enterprise.
- d) creating the wealth of nations.
- e) building national competitive advantages.

Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Easy
Page: 35 Style: Knowledge

56. _____ *The Wealth of Nations* explained that the _____ would help sort out individual pursuits for the collective good of the community.

- a) Max Weber's; "invisible hand"
- b) Max Weber's; "iron cage"
- c) Adam Smith's; "iron cage"
- d) Adam Smith's; "invisible hand"
- e) Henri Fayol's; four functions of management

Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate
Page: 35 Style: Knowledge

57. The idea of materialism gained legitimacy when it became linked with

- a) social justice.
- b) profit.
- c) family values.
- d) eternal salvation.
- e) social construction.

Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate
Page: 35 Style: Knowledge

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58. The term _____ refers to the importance given to the pursuit of wealth over other values in life.
- "invisible hand"
 - "visible hand"
 - "managerial hand"
 - wealth of nations
 - "iron cage"

Ans: e AACSB Tier 1: Analytic AACSB Tier 2: Creation of Value Difficulty: Moderate
Page: 35 Style: Knowledge

59. Weber considers _____ as being most thoroughly pervaded by the materialist-individualist point of view.
- England
 - Germany
 - the United States
 - Canada
 - China

Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate
Page: 36 Style: Knowledge

60. In the United States, more is being spent on _____ than on _____.
- advertising; secondary education
 - child care; advertising
 - secondary education; advertising
 - textbooks; healthcare
 - organic goods; non-organic goods

Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate
Page: 36 Style: Knowledge

61. In the past, most work took place in _____.
- the Catholic Church
 - the English Reformation
 - the Spanish Inquisition
 - cottage industries
 - feudal organizations

Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Easy
Page: 37 Style: Knowledge

62. Jeremiah worked in a cottage industry business, which enabled him to
- see the whole picture.
 - be part of a community.
 - work in a small business.
 - build workplace interdependence.
 - All of these.

Ans: e AACSB Tier 1: Analytic AACSB Tier 2: Creation of Value Difficulty: Moderate
Page: 37 Style: Application

63. In earlier times, businesses were considered extensions of _____.
- the church.
 - households.
 - feudal lords.
 - the king or ruler of a country.
 - neighboring states.

*Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate
Page: 37 Style: Knowledge*

64. Graydon used key ideas from Adam Smith to dramatically increase productivity at his plant, where employees changed from producing one teddy bear per person to having each person work on a particular part of many teddy bears. The two ideas Graydon adopted here are _____ and _____.

- specialization; span of control
- filing for patents; intellectual property rights
- division of labor; specialization
- teamwork; collaboration
- the "iron hand" and the "invisible cage"

*Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Creation of Value Difficulty: Moderate
Page: 37 Style: Application*

65. The _____ legal form of a business allows owners to limit their risk to the invested amount.

- single ownership
- partnership
- limited liability
- nonprofit
- church

*Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Legal Responsibilities Difficulty: Moderate
Page: 38 Style: Knowledge*

66. The origins of the limited liability idea for the modern corporation began with

- European explorations into the New World.
- trading along the Silk Road to China.
- the rise of Japanese competition.
- free trade of the WTO.
- GATT.

*Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate
Page: 37 Style: Knowledge*

67. Limited liability allowed people to take on _____ at _____ investment levels.

- less risk; lower
- higher risk; higher
- less capital; higher
- higher capital; higher
- more technology; lower employee

*Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Legal Responsibilities Difficulty: Moderate
Page: 37 Style: Application*

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68. In the beginning of the nineteenth century, there was an aversion to starting a corporation because it might _____.

- a) be too risky
- b) cause people to go bankrupt
- c) threaten democratic freedom
- d) create a communist regime
- e) create a totalitarian government

Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences
Difficulty: Difficult; Moderate Page: 38 Style: Knowledge

69. The original intent of the Fourteenth Amendment was to protect _____.

- a) universal K-12 education
- b) the rights of slaves
- c) Medicare for the elderly
- d) the NRA's position about the right to bear arms
- e) intellectual property in manufacturing

Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Legal Responsibilities Difficulty: Moderate
Page: 38 Style: Knowledge

70. The Fourteenth Amendment was reinterpreted to provide _____ with the power of _____.

- a) humanity; free speech
- b) citizens; manufacturing firearms
- c) slaves; bearing arms
- d) corporations; "the natural person"
- e) immigrants; naturalized citizenship

Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Legal Responsibilities Difficulty: Moderate
Page: 38 Style: Comprehension

71. Corporations employed the _____ to protect their right to _____.

- a) First Amendment; bear arms
- b) First Amendment; vote
- c) First Amendment; free speech
- d) Fourteenth Amendment; bear arms
- e) Fourteenth Amendment; free speech

Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Legal Responsibilities Difficulty: Moderate
Page: 38 Style: Application

72. Like many large corporations, Chain Link Corporation uses advertising, lobbying, and think tanks to influence _____.

- a) government policy.
- b) democratic choice.
- c) market position.
- d) educational reform.
- e) social justice.

Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Legal Responsibilities Difficulty: Moderate
Page: 38 Style: Application

73. The different phases of management research from the early 1900s started with _____ and continued through to reconsidering.
- a) planning, leading, organizing, and controlling
 - b) planning, organizing, leading, and controlling
 - c) organizing, leading, planning, and controlling
 - d) controlling, organizing, leading, and planning
 - e) None of these

Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Difficult
Page: 39 Style: Comprehension

74. In the early years, managers wanted to develop the best way to structure and design work, which characterized the _____ phase from 1910 to 1930.
- a) planning
 - b) organizing
 - c) leading
 - d) controlling
 - e) reconsidering

Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate
Page: 39 Style: Comprehension

75. Interest in controlling firms increased from 1970 to 1990 as a result of _____.
- a) World War I and the economic growth of the "roaring 20s"
 - b) World War II with the return of veterans to the workforce
 - c) the Iraq War and economic recession
 - d) the oil crisis and the resulting rapid increase in inflation
 - e) social unrest expressed in the countercultural movement

Ans: e AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences
Difficulty: Difficult; Moderate Page: 39 Style: Knowledge

76. Fredrick Taylor developed _____ to _____ in the workplace.
- a) scientific management; lower labor costs
 - b) scientific management; increase productivity
 - c) Theory Y; lower labor costs
 - d) Theory X; increase productivity
 - e) None of these

Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Moderate
Page: 39 Style: Knowledge

77. Taylor placed the importance of _____ over _____.
- a) labor; capital
 - b) capital; labor
 - c) human beings; systems
 - d) systems; human beings
 - e) productivity; technology

Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Moderate
Page: 39 Style: Knowledge

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78. Taylor's scientific management was consider a win-win because
- he was a popular management guru.
 - workers' pay increased, along with increased organizational productivity.
 - management and unions negotiated gains on both sides.
 - organizations created differentiation strategies.
 - U.S. companies became globally competitive against Japanese companies.
- Ans: b AACSB Tier 1: Reflective Thinking AACSB Tier 2: Creation of Value*
Difficulty: Moderate Page: 39 Style: Application
79. Connor used _____ to schedule and distribute resources for production activities.
- scientific management
 - time and motion studies
 - a Gantt chart
 - kaizen
 - a Franklin Covey daily planner
- Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Moderate*
Page: 40 Style: Application
80. _____ was(were) used to increase efficiency with shoveling and streamlining the bricklaying process to find the "one best way."
- Gantt charts
 - Time and motion studies
 - Theory X
 - Theory Y
 - Theory Z
- Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Operations Management*
Difficulty: Difficult; Moderate Page: 40 Style: Application
81. Micro approaches to management are exemplified by the work of people such as
- Taylor, Gilbreth, and Gantt.
 - Ford, Taylor, and Weber.
 - Weber, Taylor, and Fayol.
 - Gantt, Ford, and Drucker.
 - Drucker, Porter, and Weber.
- Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Difficult*
Page: 39-40 Style: Knowledge
82. Macro approaches of management are exemplified by the work of people such as
- Gilbreth, Lillian, and Ford.
 - Taylor, Fayol, and Gantt.
 - Gantt, Taylor, and Weber.
 - Weber, Fayol, and Ford.
 - Ford, Drucker, and Welch.
- Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Difficult*
Page: 40-41 Style: Knowledge
83. A bureaucratic way of organizing depends on
- authority, rules, structures, and systems.
 - interpersonal relationships, authority, rules, and personality.
 - leadership skills, authority, personality, and interpersonal relationships.
 - policies, procedures, systems, and leadership personality.
 - family relations, birth order, business networks, and authority.
- Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Moderate*
Page: 40-41 Style: Comprehension

84. Henry Ford's major contribution to management practices was the development of
- time and motion studies.
 - organizational systems of bureaucracy.
 - the mass production assembly line.
 - a service orientation to meet consumer tastes and preferences for cars of different colors.
 - a family dynasty.
- Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate*
Page: 41 Style: Comprehension; Knowledge
85. Henry Ford's innovations to increase productivity focused on _____.
- the Model T.
 - the processes of moving specialized jobs to workers.
 - increasing pay to \$5 per day.
 - adopting Gantt charts to guide the assembly line.
 - spreading the use of time and motion studies across the organization.
- Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Moderate*
Page: 41 Style: Application
86. UniCorp Inc. developed a vision with a specific plan of action for everyone in the company to follow, which illustrates Fayol's idea of _____.
- unity of command
 - the scalar chain
 - unity of direction
 - SMART goals
 - span of control
- Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Difficult*
Page: 41 Style: Application
87. Fayol's idea of a scalar chain refers to
- a business model that can be expanded upon, such as Amazon's expansion from books to many other consumer goods.
 - the line of authority that runs from the top to the bottom of an organization's hierarchy.
 - a singular boss in control of the a work team.
 - the alignment of people working in a sequential fashion on an assembly line.
 - an organizational structure that links the organization to a network extending from suppliers to final consumers.
- Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Moderate*
Page: 41 Style: Knowledge
88. Mary Parker Follett emphasized the _____ aspects of management.
- task
 - human
 - management
 - employee
 - technical
- Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences Difficulty: Moderate*
Page: 41 Style: Knowledge

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89. Follett advocated the association of power and authority with the
- personal qualities of the individual.
 - heirs of a business.
 - people on the fast track.
 - owners of a business.
 - status of the position itself, apart from the individual who occupies it.
- Ans: e AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Moderate*
Page: 41 Style: Knowledge
90. As a new management trainee learning about the Hawthorne effect, Lori could apply the concept by treating her subordinates with_____.
- constant monitoring.
 - respect.
 - discipline.
 - constant praise.
 - humor
- Ans: b AACSB Tier 1: Reflective Thinking AACSB Tier 2: Leadership Principles*
Difficulty: Moderate Page: 42 Style: Application
91. The human relations movement is based on the idea that _____ employees are more productive.
- satisfied
 - competent
 - tested
 - younger
 - experienced
- Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Motivation Concepts Difficulty: Moderate*
Page: 43 Style: Knowledge
92. PerfeK Bearings Inc. managers believed that their employees needed close monitoring, clearly established staffing schedules, and an accountability performance management system. Their management practices are likely to be based on
- Theory X.
 - Theory Y.
 - Theory Z.
 - human relations.
 - positive organization studies.
- Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Moderate*
Page: 43 Style: Knowledge
93. Melanie employs a Theory Y approach to managing her employees, which means she assumes they are
- motivated internally to work.
 - working to fulfill a purpose.
 - eager to make a contribution.
 - All of these.
 - None of these.
- Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Moderate*
Page: 43 Style: Application

94. _____ is(are) used to examine and solve complex problems.
- a) Systems analysis
 - b) Intuition
 - c) Multiple mathematical formulations
 - d) Managerial experience
 - e) Theory Y leadership
- Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Moderate
Page: 44 Style: Knowledge*
95. Development of managerial planning and decision making is supported by three related subfields. These are
- a) systems theory, contingency theory, and management science.
 - b) Theory X, Theory Y, and Theory Z.
 - c) scientific management, human relations, and positive organizational studies.
 - d) operations research, operations management, and management science.
 - e) human relations, scientific management, and control systems.
- Ans: a AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Moderate
Page: 45 Style: Knowledge*
96. Managerial decision making can be made more efficient by using operations management techniques such as
- a) inventory modeling.
 - b) break-even analysis.
 - c) simulations.
 - d) linear programming.
 - e) All of these.
- Ans: e AACSB Tier 1: Analytic AACSB Tier 2: Operations Management Difficulty: Easy
Page: 45 Style: Knowledge*
97. Jamie uses an open systems approach in managing her computer business, which means she focuses on
- a) market trends in the IT industry.
 - b) changes in the business cycle.
 - c) training her staff to excel in serving customers.
 - d) market trends in the IT industry and changes in the business cycle.
 - e) All of these.
- Ans: d AACSB Tier 1: Analytic AACSB Tier 2: Operations Management
Difficulty: Difficult; Moderate Page: 45 Style: Application*
98. _____ is a result of constraints from incomplete information and limited mental capacity to process information.
- a) Contingency planning
 - b) Organic structure
 - c) Bounded rationality
 - d) Operations research
 - e) A dominant coalition
- Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Individual Dynamics Difficulty: Moderate
Page: 46 Style: Application; Knowledge*

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99. Google and Yahoo developed different organizational cultures that supported both high productivity and fun in the workplace. As an organizational norm, the "fun" aspects of the organizational culture are referred to as _____.

a) bounded rationality
b) institutionalization
c) operations management
d) management science
e) a dominant coalition

Ans: b AACSB Tier 1: Analytic AACSB Tier 2: Group Dynamics Difficulty: Moderate

Page: 47 Style: Application

100. Managers are asked to solve major problems such as

a) social justice.
b) physical well-being.
c) ecological sustainability.
d) spiritual interests.
e) All of these.

Ans: e AACSB Tier 1: Analytic AACSB Tier 2: Leadership Principles Difficulty: Moderate

Page: 51 Style: Application

101. Hand-In-Hand Cooperative is a Bolivian organization seeking access to the global marketplace based on fair trade for some its poorest communities. This means that they would want to partner with buyers who value

a) transparency, respect, and dialogue with economically disadvantaged communities.
b) the maximization of wealth.
c) efficient operations with minimizing input while maximizing output.
d) access to commodity resources at the lowest possible prices.
e) None of the above.

Ans: a AACSB Tier 1: Ethics AACSB Tier 2: Ethical Responsibilities Difficulty: Moderate

Page: 52 Style: Application

102. The Rain Bank Cooperative produces rain barrels for distribution in urban communities as a way to recycle rain water for various outdoor uses. As a cooperative, the members organize and manage the business based on _____ principles.

a) directive
b) scientific management
c) human relations
d) democratic
e) "happy cow"

Ans: d AACSB Tier 1: Ethics AACSB Tier 2: Ethical Responsibilities Difficulty: Moderate

Page: 52 Style: Application

103. The growing body of management topics related to Multistream management include

a) social entrepreneurship.
b) positive scholarship.
c) stewardship.
d) stakeholder theory.
e) All of these.

Ans: e AACSB Tier 1: Ethics AACSB Tier 2: Ethical Responsibilities Difficulty: Easy

Page: 52 Style: Knowledge

104. The development of attractive designs in our surroundings helps to promote pride in the community and hence is related to

- a) physical well-being.
- b) spiritual interests.
- c) aesthetic costs.
- d) ecological sustainability.
- e) social justice.

Ans: c AACSB Tier 1: Analytic AACSB Tier 2: Creation of Value Difficulty: Moderate
Page: 51 Style: Comprehension

105. Student activists at universities who are advocating for fair-labor from suppliers are addressing issues of

- a) social justice.
- b) physical well-being.
- c) ecological sustainability.
- d) social construction.
- e) strategic choice.

Ans: a AACSB Tier 1: Ethics AACSB Tier 2: Ethical Responsibilities Difficulty: Moderate
Page: 51 Style: Application

106. Organizations with a high concentration of authority at the top and many written policies and procedures

Ans: Mechanistic organizational structure AACSB Tier 1: Analytic
AACSB Tier 2: Group Dynamics Difficulty: Easy Page: 46 Style: Knowledge

107. Organizations with decentralized structure and flexible policies and procedures

Ans: Organic organizational structure AACSB Tier 1: Analytic AACSB Tier 2: Group Dynamics
Difficulty: Moderate Page: 46 Style: Knowledge

108. Limitations in mental information processing capacity and lack of perfect information

Ans: Bounded rationality AACSB Tier 1: Analytic AACSB Tier 2: Individual Dynamics
Difficulty: Moderate Page: 46 Style: Knowledge

109. Results when two organizations collaborate to achieve more than they could accomplish through independent efforts

Ans: Synergy AACSB Tier 1: Analytic AACSB Tier 2: Creation of Value Difficulty: Moderate
Page: 45 Style: Knowledge

110. Failure of closed systems without input from outside

Ans: Entropy AACSB Tier 1: Analytic AACSB Tier 2: Environmental Influences
Difficulty: Moderate Page: 46 Style: Knowledge

111. A subdiscipline of management science that makes use of mathematical model building

Ans: Operations research AACSB Tier 1: Analytic AACSB Tier 2: Information Technology
Difficulty: Easy Page: 45 Style: Knowledge

112. Increasing employee satisfaction to increase productivity

Ans: Human relations movement AACSB Tier 1: Analytic AACSB Tier 2: Motivation Concepts
Difficulty: Easy Page: 43 Style: Knowledge

113. Managers creating meaning to motivate and inspire employees

Ans: Symbolic management AACSB Tier 1: Analytic AACSB Tier 2: Motivation Concepts
Difficulty: Moderate Page: 50 Style: Knowledge

114. Giving meaning to create value for things

Ans: Social construction of reality AACSB Tier 1: Analytic AACSB Tier 2: Creation of Value
Difficulty: Moderate Page: 48 Style: Knowledge

115. Determining effective performance, selecting a domain for business operations, and deciding on structure and systems for the organization

Ans: Strategic choice for key decisions AACSB Tier 1: Analytic AACSB Tier 2: Strategy
Difficulty: Difficult Page: 46-47 Style: Knowledge

Use the following to answer questions 116-125:

Hudson & Amita Coating Inc. is a partnership between two families in the coating industry for industrial products. The business provides painting services for commercial customers who have their primary business in manufacturing. William Hudson was an engineer who started the business 75 years ago, and Amita Singh joined as a managing partner 5 years after the start of the business. William learned from his prior experiences to use time and motion studies to develop efficient painting processes. As the productivity and profitability of his business grew, he was no longer having fun managing the business aspects and needed a business partner. Amita was 20 years younger and brought in fresh management ideas that focused on meeting the needs of the employees.

The two partners had to reconcile their approaches as they learned to work together. Both shared fundamental values about paying employees a fair living wage and limiting disparity in compensation between the bottom and top to a ratio of no more than 12:1 (compared to most multiples in the industry, which averaged 117:1). In the end, William came to respect Amita's leadership approach.

Although William was very efficient at creating organizational systems, the employees often felt like they were extensions of the machinery. The organizational climate was very formal with clear lines of authority. As Amita took over the development and management of the business, William happily returned to designing and developing both products and processes for superior coating services. Under Amita's leadership, the organizational culture shifted, as different leaders started to pay attention to the job stress and employee satisfaction issues of the employees.

The organization went through a very stressful time during World War II as a dramatic shift took place in the workforce; specifically, women replaced many men who left to serve in the military. After the war, Hudson & Amita Coating grew rapidly with the postwar economic boom and increased demand for consumer goods.

When William passed away, his son Langston took his place as the COO, while Amita continued as the CEO and president. The two embarked on a long-term plan to diversify the organization and create a succession plan for Amita's eventual replacement. Most of the organization had clear, established systems and procedures. Langston wanted to transition out of the COO role and lead the R&D unit with new product and process innovations to minimize the amount of chemicals polluting the environment from the painting process. The systems were usually messy and less clearly defined, but they tended to respond with highly valued new developments. Being innovative was an important value in the business. The leadership role in R&D suited Langston's talents and ability. By 1980, the succession plan involved promoting managers from within and hiring professional MBAs from outside the organization, while the two leaders maintained control as majority shareholders. The new professional management leadership developed systems for institutionalizing the values and beliefs of the organization in its culture and communication control systems.

116. Initially, Hudson's business management style reflected mainly a _____ approach.
- a) scientific management
 - b) human relations
 - c) "calculating"
 - d) "values and beliefs"
 - e) All of these

Ans: a AACSB Tier 1: Reflective Thinking AACSB Tier 2: Leadership Principles

Difficulty: Moderate Page: 39 Style: Application

117. Amita's management approach stemmed from the _____ era.
- a) "values and beliefs"
 - b) "Reformation"
 - c) "calculating"
 - d) "human"
 - e) "classical"

Ans: d AACSB Tier 1: Reflective Thinking AACSB Tier 2: Environmental Influences

Difficulty: Moderate Page: 43 Style: Application

118. Hudson paid more attention to the _____ organizational structure, while Amita focused on the _____ organizational structure.
- a) formal; symbolic
 - b) formal; informal
 - c) informal; symbolic
 - d) symbolic; informal
 - e) contingency; cultural

Ans: b AACSB Tier 1: Reflective Thinking AACSB Tier 2: Group Dynamics

Difficulty: Difficult Page: 42 Style: Application

119. Hudson's management approach has a higher level of similarity to
- a) Theory X.
 - b) Theory Y.
 - c) contingency theory.
 - d) strategic management.
 - e) None of these.

Ans: a AACSB Tier 1: Reflective Thinking AACSB Tier 2: Leadership Principles

Difficulty: Moderate Page: 43 Style: Application

120. Amita's management style reflects
- a) Theory X.
 - b) Theory Y.
 - c) Theory Z.
 - d) strategic planning.
 - e) system analysis.

Ans: b AACSB Tier 1: Reflective Thinking AACSB Tier 2: Leadership Principles

Difficulty: Moderate Page: 43 Style: Application

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121. Environmental shifts with World War II and the influx of women into the workplace are examples of trends from the _____ and _____.

- a) political/legal; sociocultural sectors
- b) natural; political/legal sectors
- c) economic; sociocultural sectors
- d) economic; natural sectors
- e) natural; political sectors

*Ans: a AACSB Tier 1: Reflective Thinking AACSB Tier 2: Environmental Influences
Difficulty: Moderate Page: 33-34 Style: Application*

122. The "calculating" era influenced the company's

- a) shifting workforce policies and procedures.
- b) changing employee demographics.
- c) long-term plan to diversify.
- d) formation of a partnership between Hudson and Amita.
- e) All of these.

*Ans: c AACSB Tier 1: Reflective Thinking AACSB Tier 2: Environmental Influences
Difficulty: Difficult Page: 45 Style: Application*

123. The new professional management in 1980 focused on control with

- a) Amita and Langston on the board.
- b) majority shareholder control.
- c) succession planning.
- d) Langston taking over the COO position.
- e) institutionalizing the culture through communication systems.

*Ans: e AACSB Tier 1: Reflective Thinking AACSB Tier 2: Environmental Influences
Difficulty: Difficult Page: 47 Style: Application*

124. The business reflected Multistream management approaches concerning

- a) social justice.
- b) ecological sustainability.
- c) physical well-being.
- d) social justice and ecological sustainability.
- e) All of these.

*Ans: d AACSB Tier 1: Reflective Thinking AACSB Tier 2: Ethical Responsibilities
Difficulty: Difficult Page: 51 Style: Application*

125. The business reflected Multistream management approaches with practices such as

- a) limiting compensation differences between top and bottom levels to a ratio of 12:1.
- b) seeking innovations to curb pollution.
- c) holding majority control as shareholders.
- d) limiting compensation differences between top and bottom levels to a ratio of 12:1 and seeking innovations to curb pollution.
- e) None of these

*Ans: d AACSB Tier 1: Reflective Thinking AACSB Tier 2: Strategy Difficulty: Difficult
Page: 51 Style: Application*

126. Discuss at least three key problems confronting human society and the planet that Multistream managers need to address.

Ans: (1) Ecological sustainability is needed to address problems that humans have inflicted on the natural environment. (2) The company is committed to advancing social justice by narrowing the gap between rich and poor. (3) Physical well-being is being compromised by pollution. (4) The growth of materialism results in high physical and emotional costs. (5) Aesthetic costs diminish the value of communities with unsightly generic architecture that undermines community pride. (6) Spiritual interests are growing to address

concerns beyond materialistic issues. AACSB Tier 1: Communications
AACSB Tier 2: Ethical Responsibilities Difficulty: Moderate Page: 51 Style: Knowledge

127. Select ONE of the following: leadership OR control OR the role of women in the workplace. Describe the changes in the social construction of reality through some of the different eras of management.

*Ans: During the "classical" era, leadership meant the "great man" who knew the one best way. In the "human" era, leaders were facilitators to meet the informal interrelationship and social needs of organizational members. In the "calculating" era, leadership meant being able to change leadership styles based on strategic organizational needs and shifting trends in the external environment. In the "controlling" era, leadership mean being able to create organizational cultures that include the use of symbols and institutional systems. AACSB Tier 1: Communications
AACSB Tier 2: Environmental Influences Difficulty: Moderate Page: 48 Style: Knowledge*

128. Describe how current sociocultural trends influence the management of organizations.

Ans: An important sociocultural trend is increasing diversity in many of our communities. Managers will need to develop competency for managing diversity. Shifting attitudes toward women and people of color require constant attention from managers to ensure, at minimum, regulatory compliance with EEOC and human rights and to promote tolerance and encourage the valuing and appreciation of diversity. While there is growing acceptance in organizations, the actual demographic composition of upper management and positions of power still reveals limitations. However, market pressures and the competition for talent will continue to challenge organizations with integrity to make continuous improvements to support diversity. Managers will need to stretch beyond their own cultural limitations to develop a deeper knowledge base to manage a diverse workforce. Due to the aging of the baby boomers and the increase of the multigenerational workforce, managers must consider a much broader range in meeting the needs of employees. Organizations need systems and procedures that support the development and motivational needs of people confronted by different demands through different life cycle periods. Managers must also pay attention to people who may be interested in working beyond retirement age to slow the leakage of knowledge, skills, abilities, experience, and organizational memory. At the same time, organizations need systems to capture and transfer knowledge from different generations as they pass through an organization. AACSB Tier 1: Communications AACSB Tier 2: Environmental Influences Difficulty: Moderate Page: 32 Style: Knowledge

129. Summarize how key economic and technological trends influenced the different eras of management.

*Ans: The "classical" era saw important technological innovations for mass manufacturing with the assembly line. This helped to promote the growth of the economy until the U.S. stock market crash in 1929 that preceded an economic depression. During the "human" era, the economic trend was stagnant or in decline. In the 1940s, the growth of the chemical industry especially, with products such as laboratory-made fibers like nylon and plastics, opened new possibilities for technological innovation. The "calculating" era included a period of economic growth with expansion of mass markets, with product innovations in consumer goods. The "values and beliefs" era entailed an oil crisis and growth of computer technology that transformed how work is done. There was also a significant shift from mass manufacturing to a service economy and information age. AACSB Tier 1: Communications
AACSB Tier 2: Environmental Influences Difficulty: Moderate Page: 33-34 & 38-50
Style: Knowledge*

130. Based on contingency theory, describe mechanistic structure and organic structure, and discuss the environmental conditions that are appropriate for their implementation.

Ans: A mechanistic organizational structure encompasses many rules, policies, and procedures in a bureaucratic organization with clearly established lines of authority. Organizations should use a mechanistic organizational structure when the external environment is relatively stable, such as in the pet food industry or higher education. An organic organizational structure is more fluid with decentralized power. The organization has a higher level of flexibility to adapt to external environments that are constantly changing, as they are in the information technology industry or software programming.

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AACSB Tier 1: Communications AACSB Tier 2: Environmental Influences Difficulty: Moderate
Page: 46 Style: Knowledge