

**TEST BANK**



130  
**MANAGEMENT**  
skills & applications

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## Chapter 02 The Management Movement

### True / False Questions

1. (p. 24) One of the significant achievements of the Sherman Act was that the psychological and physical aspects of a job such as boredom, monotony, and fatigue were studied or considered in the design of most jobs.

**FALSE**

*Difficulty: Medium*

2. (p. 24) The Wagner Antitrust Act of 1890 sought to check corporate practices "in restraint of trade."

**FALSE**

*Difficulty: Medium*

3. (p. 25) Taylor observed that most wage systems were based on attendance and position, without providing sufficient impetus for employees to produce more than required.

**TRUE**

*Difficulty: Medium*

4. (p. 26) Scientific management is a philosophy about the relationship between a technique and its levels of efficiency.

**FALSE**

*Difficulty: Medium*

5. (p. 26) Taylor saw the value of matching the job to the social background of the worker.

**FALSE**

*Difficulty: Medium*

6. (p. 26) Scientific management pioneers believed employees could be motivated by economic rewards, provided those rewards were related to individual performance.

**TRUE**

*Difficulty: Medium*

7. (p. 27) Carl Barth offered significant changes to Taylor's theory of scientific management, contributing to educational and municipal organizations.

**FALSE**

*Difficulty: Medium*

8. (p. 27) The Gantt chart graphically depicts both expected and actual profits.

**FALSE**

*Difficulty: Medium*

9. (p. 29) The major difference between Taylor and Fayol was in their orientation - Taylor stressed the management of operative work, whereas Fayol emphasized the management of organization.

**TRUE**

*Difficulty: Medium*

10. (p. 29) The major difference in the works of Taylor and Fayol was in their approach to management.

**FALSE**

*Difficulty: Easy*

11. (p. 29) The 1930s and most of the 1940s were a period in which management became recognized as a discipline.

**FALSE**

*Difficulty: Medium*

12. (p. 29) The Great Depression of 1929-32 saw the unions gaining great advantages for the working classes.

**TRUE**

*Difficulty: Easy*

13. (p. 29) The Norris-LaGuardia Act of 1932 severely restricted the use of injunctions to limit union activity.

**TRUE**

*Difficulty: Easy*

14. (p. 30) The purpose of the Hawthorne studies was to define the relationship between physical working conditions and productivity of the worker.

**TRUE**

*Difficulty: Medium*

15. (p. 30) When researchers lowered the levels of illumination in the room at the Hawthorne plant's study site, they noticed a drop in the levels of productivity.

**FALSE**

*Difficulty: Medium*

16. (p. 31) Owner-managers, captains of industry, and financial managers are examples of professional managers who came into existence in the early 1920s.

**FALSE**

*Difficulty: Easy*

17. (p. 31) The professional manager does not necessarily have a controlling interest in the enterprise for which he or she works.

**TRUE**

*Difficulty: Easy*

18. (p. 31) James F. Lincoln developed a plan that combined an incentive system with a request for cooperation because he understood that effective cooperation came about by politeness and consideration for another person's feelings.

**FALSE**

*Difficulty: Medium*

19. (p. 31) The Scanlon plan gave workers a bonus for tangible savings in labor costs.

**TRUE**

*Difficulty: Medium*

20. (p. 32) Dennison advocated finding "like-minded" people, grouping them, and then developing the total organizational structure.

**TRUE**

*Difficulty: Easy*

21. (p. 33) The mathematical and modeling approach to quantify management was the brainchild of Oliver Sheldon and Ralph C. Davis.

**FALSE**

*Difficulty: Hard*

22. (p. 33) The Scanlon Plan encouraged individual rewards as opposed to group rewards.

**FALSE**

*Difficulty: Medium*

23. (p. 33) Henri Fayol was the first management scholar to present explicitly a functional analysis of the management process.

**TRUE**

*Difficulty: Medium*

24. (p. 34) The term "management theory jungle" was developed by Harold Koontz to refer to the division of thought that resulted from the multiple approaches to studying the management process.

**TRUE**

*Difficulty: Medium*

25. (p. 34) Under the systems approach to management, the organization is seen as an open system that is influenced by its internal and external environmental factors.

**TRUE**

*Difficulty: Easy*

26. (p. 34) Proponents of the contingency approach to management believed in "one best way to manage"; the best way uses mathematical forecasting techniques.

**FALSE**

*Difficulty: Medium*

27. (p. 35) According to Ouchi, American-type organizations are characterized by rapid evaluation and promotion, and nonspecialized career paths.

**FALSE**

*Difficulty: Easy*

28. (p. 35) Ouchi's Theory Z attempts to integrate American and Japanese management practices; combining the American emphasis on individual responsibility with the Japanese emphasis on collective decision making, slow evaluation and promotion, and holistic concern for employees.

**TRUE**

*Difficulty: Easy*

29. (p. 36) Total quality management (TQM) emphasizes finding and correcting mistakes and rejects so that the entire organization excels in all dimensions of products and services that are important to the customer.

**FALSE**

*Difficulty: Medium*

30. (p. 37) According to the book *Beyond Workplace 2000*, organizational structures will become extremely fluid, and departments, units, divisions, or functional groups in most American businesses will become outdated.

**TRUE**

*Difficulty: Medium*

### **Multiple Choice Questions**

31. (p. 23) The \_\_\_\_\_ encompassed the period when the United States began to shift from an almost totally agrarian society to an industrialized society.

- A. U.S. Civil War
- B. Renaissance Period
- C. Golden Age
- D. Industrial Revolution**
- E. Great Depression

*Difficulty: Easy*

32. (p. 23) Which year is considered as the start of the Industrial Revolution in U.S.?

- A. 1912
- B. 1920
- C. 1860**
- D. 1720
- E. 1940

*Difficulty: Easy*

33. (p. 23) According to Daniel Wren the Industrial Revolution in America removed the dependency on
- A. water and power.
  - B. politics and marketing.
  - C. coal and human strength.
  - D.** water and horses.
  - E. horses and mails.

*Difficulty: Easy*

34. (p. 24) What differentiated Rockefeller, Duke and Carnegie from their "laissez-faire" predecessors?
- A. They achieved new levels of efficiency.
  - B. They utilized new-age communication to grow their industries.
  - C. They offered better compensation to their workers.
  - D. They involved workers in management decision-making.
  - E.** They pursued profits and self-interest above all else.

*Difficulty: Easy*

35. (p. 24) In 1890, most industries were characterized by all of the following, except
- A.** managers making on-the-spot decisions and no formal record maintenance.
  - B. having become large scale, with markets across the entire nation.
  - C. expanded communication and transportation dependency.
  - D. technological innovations.
  - E. an increase in the use of electricity as a power source.

*Difficulty: Medium*

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36. (p. 24) Increased production plus the new need for systematizing workflow led engineers to
- A. increase compensation for workers.
  - B. ignore financial and profit orientations of the business.
  - C.** begin studying workflows and job content.
  - D. undergo re-training in several areas.
  - E. take into account workers' attitudes.

*Difficulty: Hard*

37. (p. 24) Some of the psychological and physical aspects of a job that impacted productivity which were ignored were
- A.** boredom and fatigue.
  - B. stress and poor nutrition.
  - C. depression and physical disabilities.
  - D. intelligence and nutrition.
  - E. delegation and job-sharing.

*Difficulty: Medium*

38. (p. 25) \_\_\_\_\_ describes the actions of employees who intentionally restrict output.
- A.** Soldiering
  - B. Partnering
  - C. Restricting
  - D. Stopping
  - E. Impeding

*Difficulty: Medium*

39. (p. 26) Which of the following was not one of the main principles of the scientific method?

- A. Development of a scientific method of designing jobs to replace the old rule-of-thumb methods.
- B. The scientific selection and progressive teaching and development of employees.
- C. The bringing together of scientifically selected employees and scientifically developed methods for designing jobs.
- D.** Elimination of division of work minimizing interdependence between management and workers.
- E. Need to study worker strengths and weaknesses and to provide training to improve employee performance.

*Difficulty: Easy*

40. (p. 26) The scientific method involved finding " \_\_\_\_\_ " to perform a task.

- A. alternate way
- B. the lowest cost
- C.** the one best way
- D. efficiency
- E. low dependencies

*Difficulty: Easy*

41. (p. 26) Taylor saw the value of matching the job to the

- A. industry.
- B. pay scale.
- C. piece rate structure.
- D.** worker.
- E. environment.

*Difficulty: Medium*

42. (p. 26) According to Taylor, division of work would result in all of these between management and workers, except

- A. interdependence.
- B. communication.
- C. cooperation.
- D. conflict.
- E. synergy.

*Difficulty: Easy*

43. (p. 26) Which of the following represents the philosophy of scientific management?

- A. Scientific management resulted in conflict in interests between workers and management.
- B. Scientific management emphasized maximum output with human effort through the elimination of interdependence.
- C. Scientific management studies the relationship between a technique and its efficiency.
- D. Scientific management is a philosophy about the relationship between people and work.
- E. Scientific management deals solely with the proper design of the job, irrespective of the worker.

*Difficulty: Hard*

44. (p. 26) Taylor and scientific management were (and still are) attacked as being inhumane and aimed only at

- A. increasing efficiency.
- B. maximizing profits.
- C. tightening management control.
- D. creating interdependencies.
- E. increasing output.

*Difficulty: Hard*

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45. (p. 27) Carl Barth worked to \_\_\_\_\_ Taylor's ideas.

- A. popularize
- B. question
- C. refute
- D. add to
- E. affirm

*Difficulty: Easy*

46. (p. 27) What was Morris Cooke's contribution to scientific management?

- A. Application of scientific management to educational and municipal organizations.
- B. His efforts at popularizing Taylor's ideas.
- C. Use motion picture films to study hand and body movements to eliminate wasted motion.
- D. Research in the areas of fatigue, monotony, micromotion study, and morale.
- E. He was the first to issue a complete statement on a theory of general management.

*Difficulty: Hard*

47. (p. 27) Henry Lawrence Gantt is best known for his work in

- A. systems.
- B. groups.
- C. planning.
- D. communication.
- E. production control.

*Difficulty: Easy*

48. (p. 27) \_\_\_\_\_ graphically depicts both expected and completed production.

- A. The scientific management
- B. The needs theory
- C. The Gantt chart
- D. Taylor
- E. Scanlon Plan

*Difficulty: Medium*

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49. (p. 27) Frank and Lillian Gilbreth used motion picture films to eliminate
- A. systems.
  - B. slippage.
  - C. boredom.
  - D.** wasted motion.
  - E. errors.

*Difficulty: Medium*

50. (p. 27) Gantt was also one of the first management pioneers to state publicly the
- A.** social responsibility of management and business.
  - B. separation of management involvement from production.
  - C. interdependence of management and labor.
  - D. importance of harmony and unity in an organization.
  - E. need for formal channels of communication.

*Difficulty: Medium*

51. (p. 27) Lillian Gilbreth is popularly referred to as
- A. the Harbinger of Theory X.
  - B. The First Lady of Scientific Management.
  - C. the Proponent of Theory Y.
  - D.** the First Lady of Management.
  - E. the Mother of the Theory of Motivation.

*Difficulty: Easy*

52. (p. 28) Henri Fayol identified all of the following as management principles, except
- A. division of work.
  - B. unity of command.
  - C. remuneration and centralization.
  - D.** informal authority.
  - E. scalar chain.

*Difficulty: Medium*

53. (p. 28) Fayol developed his list of principles from the practices he had used most often in his own work. What did he stress on in their application?

- A. Flexibility
- B. Group rewards
- C. Informal communication
- D. Fairness
- E. Scientific management

*Difficulty: Medium*

54. (p. 28) How did Fayol and Taylor differ in orientation in their theories?

- A. Taylor stressed management of operative work and Fayol emphasized management of labor.
- B. Taylor stressed on proper planning while Fayol paid attention to the technical details of management.
- C. Fayol emphasized management's role in an organization while Taylor focused on coordination of operations.
- D. Taylor and Fayol both believed that the management of operative work was the key to organizational success.
- E. Taylor paid attention to scientific research, while Fayol emphasized the human element at the workplace.

*Difficulty: Easy*

55. (p. 29) The 1920s and most of the 1930s were a period of

- A. scientific management.
- B. interdependence.
- C. multiple-management.
- D. solidification.
- E. resistance.

*Difficulty: Medium*

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56. (p. 29) The Golden Age of Unionism saw an emphasis on
- A.** understanding employees and their needs.
  - B. methods used to conduct work.
  - C. methods used to create higher growth opportunities for all employees.
  - D. over time for fuelling chances of growth.
  - E. individual bargaining with the union.

*Difficulty: Medium*

57. (p. 29) Which of the following Acts resulted in corresponding obligation for employers to recognize and collectively bargain with the union?
- A. Fair Labor Standards Act of 1938
  - B.** Railway Labor Act of 1926
  - C. Norris-La Guardia Act of 1932
  - D. National Labor Relations Act of 1935
  - E. Fair Negotiation Act of 1936

*Difficulty: Medium*

58. (p. 29) Establishment of minimum wages and requirement of time-and-a-half pay for hours worked over 40 in one week was a result of the
- A. Minimum Wage Act.
  - B. National Labor Relations Act.
  - C. Norris-La Guardia Act.
  - D.** Fair Labor Standards Act.
  - E. Equal Pay Act.

*Difficulty: Medium*

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59. (p. 30) The Hawthorne studies identified that production \_\_\_\_\_ in relationship to \_\_\_\_\_ and psychological conditions rather than the \_\_\_\_\_.

- A. decreased; ethical; surroundings.
- B.** increased; social; environment.
- C. evened out; personal; work pressure.
- D. decreased; personal problems; wages.
- E. increased; incentives; impetus for growth.

*Difficulty: Hard*

60. (p. 30) The \_\_\_\_\_ found that effective supervision made a significant impact on productivity and employee morale.

- A. Ohio State Studies
- B. University of Michigan Studies
- C. Gantt studies
- D. Lincoln Electric Company
- E.** Hawthorne studies

*Difficulty: Easy*

61. (p. 31) Which of the following was a direct result of the Great Depression?

- A.** It weakened public confidence in business organizations.
- B. The professional manager became more and more prevalent.
- C. Owner-managers gained momentum in organizations.
- D. A piece-rate method of compensation emerged.
- E. It resulted in innovation and attention to labor rights.

*Difficulty: Easy*

62. (p. 31) Until the 1930's, managers were placed under the categories of which of the following?

- A. Owner-managers
- B. Scientific managers
- C. Career managers
- D. Professional managers
- E. Theory X managers

*Difficulty: Easy*

63. (p. 32) Dennison believed an organization has the greatest strength if all of its members are

- A. well paid.
- B. centrally controlled.
- C. strongly motivated.
- D. satisfied.
- E. validated.

*Difficulty: Medium*

64. (p. 32) Which of the following uses participation by promising young employees to form a junior board of directors?

- A. Scanlon Plan
- B. Process-approach incentive
- C. Taylor's scientific management
- D. McCormick multiple-management plan
- E. McCormick participation plan

*Difficulty: Medium*

65. (p. 32-33) All of the following were benefits of incorporating the McCormick multiple-management plan, except
- A. the immediate benefit of providing suggestions.
  - B. early identification of management talent.
  - C. sharing and being responsible for most or all of the detailed planning and research work.
  - D. open communication lines.
  - E.** the junior board of directors performing tasks previously managed by the senior members of the organization.

*Difficulty: Medium*

66. (p. 33) The \_\_\_\_\_ management philosophy encouraged widespread delegation of authority to solicit the participation of all employees.
- A. process
  - B.** bottom-up
  - C. groups
  - D. multiple
  - E. team-based

*Difficulty: Medium*

67. (p. 33) Which of the following theories focuses on the management functions of planning, commanding, organizing, coordination, and control?
- A. Scientific management
  - B. Theory Y
  - C. Theory X
  - D.** Process approach
  - E. Systems approach

*Difficulty: Hard*

68. (p. 34) The \_\_\_\_\_ approach to management provides a framework for visualizing internal and external environmental factors integrated as a whole.

- A. scientific
- B. Theory X
- C. process
- D.** systems
- E. Theory Y

*Difficulty: Easy*

69. (p. 34) The \_\_\_\_\_ approach to management theorizes that different situations and conditions require different management approaches.

- A.** contingency
- B. multiple-management
- C. Theory Y
- D. relative
- E. Theory X

*Difficulty: Medium*

70. (p. 35) \_\_\_\_\_ attempts to integrate American and Japanese management practices.

- A.** Theory Z
- B. multiple-management
- C. Theory X
- D. Deming
- E. Theory Y

*Difficulty: Medium*

## **Essay Questions**

71. (p. 24-26) Discuss the changes and the outcomes of scientific management as proposed by Frederick Taylor.

It was a new philosophy about the use of human effort. It emphasized maximum output with minimum effort through the elimination of waste and inefficiency at the operative level of the organization. The scientific study of work also emphasized specialization and division of labor. Thus, the need for an organizational framework became more and more apparent. The managers planned the work; the employees perform it. The result was closer cooperation between managers and employees.

*Difficulty: Hard*

72. (p. 27) Identify the contributions of Henry Lawrence Gantt.

Gantt focused on production control and social responsibility of management. The Gantt chart depicts expected and completed production.

*Difficulty: Medium*

73. (p. 31) Identify some of the elements of the Lincoln Electric management philosophy.

An advisory board of employees; a piece-rate method of compensation wherever possible; a suggestion system; employee ownership of stock; year-end bonuses; life insurance for all employees; two weeks of paid vacation; an annuity pension plan; a promotion policy.

*Difficulty: Medium*

74. (p. 32-33) Contrast the management styles put forth by McCormick and Scanlon.

The McCormick multiple management plans included junior boards to motivate and train promising young employees. The Scanlon plan provided workers bonuses for tangible savings in labor costs.

*Difficulty: Hard*

75. (p. 34) Discuss the evolution of management study that was dealt in detail by Harold Koontz.

The time the mathematical school was flourishing, behavioral scientists were studying management in terms of small-group relations; they depended heavily on psychology and social psychology. Drawing on the work of Chester Barnard and sociological theory, another school saw management as a system of cultural interrelationships. Harold Koontz was the first management scholar to discuss this fragmentation movement in detail. Koontz accurately referred to this division of thought as the management theory jungle.

*Difficulty: Medium*

76. (p. 35) Describe the "Japanese-type" organization.

Japanese-type organizations are characterized by: Lifetime employment, collective decision making, collective responsibility, slow evaluation and promotion, implicit control mechanisms, nonspecialized career paths, holistic concern for employees as a person.

*Difficulty: Easy*

77. (p. 35) Describe the "American-type" organization.

American-type organizations are characterized by: Short-term employment, individual decision making, individual responsibility, rapid evaluation and promotion, explicit control mechanisms, specialized career path, segmented concern for employee as a person.

*Difficulty: Easy*

78. (p. 35) Describe the Theory Z-type organization.

Long-term employment; consensual, participative decision making; individual responsibility; slow evaluation and promotion; implicit/informal control with explicit/formal measures; moderately specialized career paths; holistic concern, including family.

*Difficulty: Medium*

79. (p. 36) Outline Peters and Waterman's eight characteristics of excellent companies.

A bias for action; close to the customer; autonomy and entrepreneurship; productivity through people; hands on and value driven; "stick to the knitting"; simple form with lean staff; simultaneous loose-tight properties.

*Difficulty: Medium*

80. (p. 37) Outline the future implications of organizational and managerial structures in the twenty first century, as discussed in the book *Beyond Workplace 2000*.

The gap between rivals on these traditional measures of performance will all but close. The product or service they will provide and the business processes they will employ will be in a constant state of change. Develop a much better understanding of what it does truly well and will invest its limited resources in developing and sustaining superiority in that unique knowledge, skill, or capability. Organizational structures will become extremely fluid. There will be a meltdown of the barrier between leader and follower, manager and worker. The central theme is that future organizations will be more fluid and less rigid than in the past.

*Difficulty: Medium*