

Chapter 2: Management - Past to Present**True/False Questions**

1. The principles of scientific management were proposed by Frederick Taylor.
Answer: True
Page: 35
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
2. Coordination refers to providing and mobilizing resources to implement the plan.
Answer: False
Page: 36
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
3. Henri Fayol believed that management could be taught.
Answer: True
Page: 36
Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
4. Time study is the science of reducing a task to its basic physical motions.
Answer: False
Page: 36
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
5. Formal rules and procedures are defining characteristics of Weber's bureaucratic organization.
Answer: True
Page: 37
Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge
6. The disadvantage of administrative principles is that it includes excessive paperwork.
Answer: False
Page: 38
Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge

7. The behavioral approaches assume that people are social and self-actualizing, enjoying social relationships, responding to group pressures, and searching for personal fulfillment.
Answer: True
Page: 38
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge
8. After a series of scientific tests, Elton Mayo concluded that new "social setting" created for workers in the test room decreased the productivity of the employees.
Answer: False
Page: 40
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge
9. According to Elton Mayo, 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.
Answer: True
Page: 40
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
10. The Hawthorne effect is the tendency of persons singled out for special attention to perform as expected.
Answer: True
Page: 41
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
11. According to the deficit principle, a satisfied need is a motivator of behavior.
Answer: False
Page: 41
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge
12. According to the progression principle, a satisfied need does not motivate behavior.
Answer: False
Page: 41
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
13. Physiological needs and safety needs are higher-order needs in Maslow's hierarchy of human needs.

- Answer: False
Page: 42
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge
14. Maslow's ideas point managers toward finding ways to link volunteer work with opportunities to satisfy higher-order needs like esteem and self-actualization.
Answer: True
Page: 42
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge
15. Managers holding Theory Y assumptions approach their jobs believing that those who work for them generally dislike work, lack ambition, act irresponsibly, and prefer to be led rather than to lead.
Answer: False
Page: 43
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge
16. Managers who hold Theory Y assumptions cannot create self-fulfilling prophecies.
Answer: False
Page: 43
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge
17. Argyris asserts that psychological success occurs when people define their own goals.
Answer: True
Page: 43
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytic Skills
Bloom's Taxonomy: Comprehension
18. Argyris's theory of adult personality counters Fayol's concept of unity of direction.
Answer: True
Page: 43
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytic Skills
Bloom's Taxonomy: Comprehension
19. A grocery store is getting complaints from customers that waiting times are too long for checkouts during certain times of the day. This problem can be solved by the queuing theory.
Answer: True
Page: 45
Learning Objective: 2.3

Difficulty: Hard
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge

20. A real estate developer wants to control costs and finish building a new apartment complex on time. This problem can be solved by inventory analysis.
Answer: False
Page: 46
Learning Objective: 2.3
Difficulty: Hard
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge
21. People and technology are outputs in an open system.
Answer: False
Page: 46
Learning Objective: 2.3
Difficulty: Moderate
AACSB: Analytic Skills
Bloom's Taxonomy: Comprehension
22. Goods and services are inputs in an open system.
Answer: False
Page: 46
Learning Objective: 2.3
Difficulty: Moderate
AACSB: Analytic Skills
Bloom's Taxonomy: Comprehension
23. A tight bureaucracy works best when the environment is relatively stable and operations are predictable and uncomplicated.
Answer: True
Page: 47
Learning Objective: 2.3
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
24. Trade secret is an example of intellectual assets.
Answer: True
Learning Objective: 2.3
Page: 48
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
25. Knowledge management involves making decisions based on hard facts about what really works.
Answer: False
Page: 49
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytic Skills
Bloom's Taxonomy: Knowledge

Multiple Choice Questions

26. Which of the following assumes that people at work rationally consider opportunities made available to them and do whatever is necessary to achieve the greatest personal and monetary gain?
- A. Classical management approach
 - B. Theory X
 - C. Theory of human needs
 - D. Behavioral management approach
 - E. Modern management approach
- Answer: A
Page: 34
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
27. Which of the following is a classical management approach?
- A. Theory X
 - B. Theory Y
 - C. Human needs theory
 - D. Hawthorne studies
 - E. Administrative principles
- Answer: E
Page: 34
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
28. _____ emphasizes careful selection and training of workers and supervisory support.
- A. Bureaucratic organization
 - B. Theory X
 - C. Theory Y
 - D. Scientific management
 - E. Administrative principles
- Answer: D
Page: 35
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
29. Who is known as the father of scientific management?
- A. Henri Fayol
 - B. Frederick Taylor
 - C. Max Weber
 - D. Douglas McGregor
 - E. Abraham Maslow
- Answer: B
Page: 35
Learning Objective: 2.1
Difficulty: Easy

AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

30. The primary goal of scientific management is to:
- A. make decisions based on hard facts about what really works.
 - B. use large data bases and mathematics to solve problems.
 - C. satisfy the physiological and psychological deficiencies of a person.
 - D. improve the productivity of people by careful selection and training.
 - E. make every employee an owner in the business.

Answer: D

Page: 35

Learning Objective: 2.1

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

31. Pizza Cottage, a pizza delivery chain, assures delivery of pizza within half-an-hour of the placement of order. It employs various methods like specialization of work, motion study, and analysis of routes to make sure that the order reaches the customer in half-an-hour. Which of the following management techniques is Pizza Cottage most likely using?
- A. Maslow's theory of human needs
 - B. Bureaucratic organization
 - C. Scientific management
 - D. Hawthorne studies
 - E. Theory X and Theory Y

Answer: C

Page: 35-36

Learning Objective: 2.1

Difficulty: Hard

AACSB: Reflective thinking skills

Bloom's Taxonomy: Application

32. Which of the following led to advances in the areas of job simplification, work standards, and incentive wage plans?
- A. Administrative principles
 - B. Theory of human needs
 - C. Theory X
 - D. Theory Y
 - E. Motion study

Answer: E

Page: 36

Learning Objective: 2.1

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

33. _____ is to complete a plan of action for the future.
- A. Foresight
 - B. Organization
 - C. Command
 - D. Coordination
 - E. Control

Answer: A

Page: 36

Learning Objective: 2.1

Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

34. Which of the following best defines organization?
A. To complete a plan of action for the future
B. To provide and mobilize resources to implement the plan
C. To lead, select, and evaluate workers to get the best work toward the plan
D. To fit diverse efforts together and to ensure information is shared and problems solved
E. To make sure things happen according to plan and to take necessary corrective action
Answer: B
Page: 36
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
35. _____ is to lead, select, and evaluate workers to get the best work toward the plan.
A. Foresight
B. Organization
C. Command
D. Coordination
E. Control
Answer: C
Page: 36
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
36. The manager of a company fits diverse efforts together. He ensures that information is shared and problems are solved. Which of the following management functions is he performing?
A. Foresight
B. Organization
C. Command
D. Coordination
E. Control
Answer: D
Page: 36
Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Comprehension
37. In a fresh juice manufacturing plant, the production team manufactures 2000 bottles of juice per day, while the sales team sells only 1700 bottles per day. Since the product is perishable, the extra output incurs losses to the company. Hence, the manager intervenes and sets a common standard for both the teams. Which of the following management duties is the manager performing?
A. Control
B. Foresight
C. Coordination
D. Organization
E. Command
Answer: C

Page: 36
Learning Objective: 2.1
Difficulty: Hard
AACSB: Reflective thinking skills
Bloom's Taxonomy: Application

38. _____ is to make sure things happen according to plan and to take necessary corrective action.

- A. Foresight
- B. Organization
- C. Command
- D. Coordination
- E. Control

Answer: E

Page: 36

Learning Objective: 2.1

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

39. A manager employs 5 workers to produce a total of 36 units of a product per day. He soon realizes that the workers are able to produce only 30 units a day. He then employs an additional worker to meet the set target. Which of the following duties of management is he performing while taking the corrective action?

- A. Foresight
- B. Organization
- C. Command
- D. Coordination
- E. Control

Answer: E

Page: 36

Learning Objective: 2.1

Difficulty: Hard

AACSB: Reflective thinking skills

Bloom's Taxonomy: Application

40. Which of the following is true of the scalar chain principle?

- A. Each person should receive orders from only one boss.
- B. One person should be in charge of all activities that have the same performance objective.
- C. There should be a clear and unbroken line of communication from the top to the bottom in the organization.
- D. Guidelines must be written and kept for historical record.
- E. Workers should be selected and promoted on ability, competency, and performance.

Answer: C

Page: 36

Learning Objective: 2.1

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

41. A worker receives an order to meet the daily production target from one manager and an order to train the new workers from another. Which of the following principles does the company neglect?

- A. Scalar chain principle

- B. Unity of command principle
- C. Unity of direction principle
- D. Principle of motion study
- E. Principle of merit

Answer: B

Page: 36

Learning Objective: 2.1

Difficulty: Moderate

AACSB: Reflective thinking skills

Bloom's Taxonomy: Application

42. Which of the following is true of the unity of direction principle?
- A. One person should be in charge of all activities that have the same performance objective.
 - B. Guidelines must be written and kept for historical record.
 - C. Each person should receive orders from only one boss.
 - D. There should be a clear and unbroken line of communication from the top to the bottom in the organization.
 - E. Workers should be selected and promoted on ability, competency, and performance.

Answer: A

Page: 36

Learning Objective: 2.1

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

43. Which of the following best describes clear division of labor?
- A. Rules and procedures are impartially and uniformly applied, with no one receiving preferential treatment.
 - B. Jobs are well defined, and workers become highly skilled at performing them.
 - C. Workers are selected and promoted on ability, competency, and performance, and managers are career employees of the organization.
 - D. Written guidelines direct behavior and decisions in jobs, and written files are kept for historical record.
 - E. Authority and responsibility are well defined for each position, and each position reports to a higher-level one.

Answer: B

Page: 37

Learning Objective: 2.1

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

44. Which of the following best describes impersonality?
- A. Jobs are well defined, and workers become highly skilled at performing them.
 - B. Workers are selected and promoted on ability, competency, and performance, and managers are career employees of the organization.
 - C. Written guidelines direct behavior and decisions in jobs, and written files are kept for historical record.
 - D. Authority and responsibility are well defined for each position, and each position reports to a higher-level one.
 - E. Rules and procedures are impartially and uniformly applied, with no one receiving preferential treatment.

Answer: E

Page: 37

Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

45. At MagnaTech Solutions, the workers under one manager are expected to follow specific timings for their shifts, while the workers under another manager are given the liberty of flexible timings. Which of the following characteristics of a bureaucracy has the company neglected?
- A. Clear division of labor
 - B. Clear hierarchy of authority
 - C. Unity of direction
 - D. Careers based on merit
 - E. Impersonality

Answer: E

Page: 37

Learning Objective: 2.1
Difficulty: Hard
AACSB: Reflective thinking skills
Bloom's Taxonomy: Application

46. Which of the following is an advantage of bureaucracy?
- A. Relatively less paperwork
 - B. Flexibility in the face of shifting client needs
 - C. Reliability and stringency of discipline
 - D. Employee enthusiasm
 - E. Speed in handling problems

Answer: C

Page: 37

Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Comprehension

47. Which of the following is a disadvantage of bureaucracy?
- A. Preferential treatment of some employees
 - B. Unclear division of labor
 - C. Excessive paperwork
 - D. Unclear hierarchy of authority
 - E. Absence of written guidelines

Answer: C

Page: 38

Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Comprehension

48. The _____ approaches assume that people are social and self-actualizing, enjoying social relationships, responding to group pressures, and searching for personal fulfillment.
- A. classical
 - B. scientific management
 - C. contingency thinking
 - D. behavioral
 - E. modern

Answer: D

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Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

49. Which of the following is true of Follet's view on organizations?
- A. She viewed organizations as communities in which managers and workers should work in harmony.
 - B. She warned against the dangers of less hierarchy.
 - C. She supported the idea of managers dominating the workers.
 - D. She propagated the idea of workers working individually, rather than in a group.
 - E. She believed that it wasn't the manager's job to help people cooperate with one another.

Answer: A

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Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

50. Which of the following management theories advocates employee ownership, profit sharing, and gain-sharing plans?
- A. Theory X and Theory Y
 - B. Hawthorne studies
 - C. Organization as systems
 - D. Quality management
 - E. Follett's organizations as communities

Answer: E

Page: 39

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

51. A manager wants to implement the conclusions of the Hawthorne study in his organization. He would:
- A. create written guidelines for workers.
 - B. implement division of labor in the workplace.
 - C. assure good human relations between the workers.
 - D. reduce a job or task to its basic physical motion.
 - E. define authority and responsibility of each worker.

Answer: C

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Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

52. A manager finds out that the productivity of his workers has declined. Therefore, he creates a new social setting for the workers, where they share pleasant social relations with one another and receive special attention from the supervisor. The manager has implemented lessons from _____ to improve the productivity of his workers.
- A. the scientific management theory
 - B. the theory of human needs
 - C. Theory X and Theory Y

- D. the Hawthorne studies
- E. Fayol's administrative principles

Answer: D

Page: 40

Learning Objective: 2.2

Difficulty: Hard

AACSB: Reflective thinking skills

Bloom's Taxonomy: Application

53. According to Mayo's research team, _____ in the test room resulted in higher productivity.

- A. economic incentives
- B. good human relations
- C. scientific management
- D. adequate rest pauses
- E. timely measurement of production

Answer: B

Page: 40

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

54. Which of the following theories proposes that groups can have strong negative, as well as positive, influences on individual productivity?

- A. Scientific management theory
- B. Bureaucratic organization
- C. Theory X and Theory Y
- D. Hawthorne studies
- E. Administrative principles

Answer: D

Page: 40

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

55. Which of the following best describes the Hawthorne effect?

- A. It refers to the tendency of people who are singled out for special attention to perform as anticipated because of expectations created by the situation.
- B. It implies that satisfied need does not motivate behavior.
- C. It refers to a need that is activated only when the next-lower-level need is satisfied.
- D. It implies that people dislike work, lack ambition, act irresponsibly, and prefer to be led.
- E. It implies that people are willing to work, like responsibility, and are self-directed and creative.

Answer: A

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Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

56. The deficit principle states that:

- A. a need is activated only when the next-lower-level need is satisfied.
- B. people dislike work, lack ambition, act irresponsibly, and prefer to be led.

- C. people are willing to work, like responsibility, and are self-directed and creative.
- D. people at work rationally consider opportunities made available to them and do whatever is necessary to achieve the greatest personal and monetary gain.
- E. a satisfied need is not a motivator of behavior.

Answer: E

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Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

57. Mark, an employee of CBZ Ltd., earns a good compensation, has a good house, a stable job, a family, and close friends. He is recognized as a good manager, is respected by his subordinates, and has mastered his managerial skills. His company offers to pay his house rent if he negotiates a deal with a particular client. This offer fails to motivate him. Which of the following principles explains Mark's behavior?
- A. Progression principle
 - B. Principle of motion study
 - C. Deficit principle
 - D. Hawthorne effect
 - E. Self-fulfilling prophecy

Answer: C

Page: 41

Learning Objective: 2.2

Difficulty: Hard

AACSB: Reflective thinking skills

Bloom's Taxonomy: Application

58. Which of the following management theories is based on the deficit principle and the progression principle?
- A. Administrative principles
 - B. Maslow's theory of human needs
 - C. Scientific management
 - D. Hawthorne studies
 - E. Theory X and Theory Y

Answer: B

Page: 41-42

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

59. Which of the following refer to the lowest needs in Maslow's hierarchy of human needs?
- A. Esteem needs
 - B. Self-actualization needs
 - C. Social needs
 - D. Safety needs
 - E. Physiological needs

Answer: E

Page: 42

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

60. The progression principle states that:
- A. a need is activated only when the next-lower-level need is satisfied.
 - B. people dislike work, lack ambition, act irresponsibly, and prefer to be led.
 - C. people are willing to work, like responsibility, and are self-directed and creative.
 - D. people at work rationally consider opportunities made available to them and do whatever is necessary to achieve the greatest personal and monetary gain.
 - E. a satisfied need does not motivate behavior.

Answer: A

Page: 42

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

61. Sheldon works in a company where he gets minimum wages. He does not have sufficient money to pay his medical bills. His manager offers to award him with the "Best worker certificate" if he increases his productivity. This offer fails to motivate him. Which of the following explains Sheldon's behavior?
- A. Progression principle
 - B. Principle of motion study
 - C. Deficit principle
 - D. Hawthorne effect
 - E. Self-fulfilling prophecy

Answer: A

Page: 42

Learning Objective: 2.2

Difficulty: Hard

AACSB: Reflective thinking skills

Bloom's Taxonomy: Application

62. Recognition is an example of:
- A. safety needs.
 - B. esteem needs.
 - C. self-actualization needs.
 - D. physiological needs.
 - E. social needs.

Answer: B

Page: 42

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

63. Which of the following matches correctly?
- A. Affection—Esteem needs
 - B. Protection—Self-actualization needs
 - C. Prestige—Safety needs
 - D. Physical well-being—Physiological needs
 - E. Mastery—Social needs

Answer: D

Page: 42

Learning Objective: 2.2

Difficulty: Hard

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

64. Which of the following is an example of a self-actualization need?
- A. Need for self-fulfillment
 - B. Mastery
 - C. Affection
 - D. Protection
 - E. Physical well-being
- Answer: A
Page: 42
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
65. The CEO of a company has a good compensation, a house, a family and lots of friends. He is respected by his employees and is recognized as an efficient manager. Now he wants to start his own company. Which of the following needs is he responding to?
- A. Social needs
 - B. Esteem needs
 - C. Physiological needs
 - D. Self-actualization needs
 - E. Safety needs
- Answer: D
Page: 42
Learning Objective: 2.2
Difficulty: Hard
AACSB: Reflective thinking skills
Bloom's Taxonomy: Application
66. The worker of a company earns a wage that gives him good food, water, and good health. He also has a good house to live in. According to the progression principle, which of the following needs is most likely to motivate him next?
- A. Recognition
 - B. Mastery
 - C. Protection
 - D. Self-fulfillment
 - E. Affection
- Answer: E
Page: 42
Learning Objective: 2.2
Difficulty: Hard
AACSB: Reflective thinking skills
Bloom's Taxonomy: Application
67. The worker of a company is motivated by the need for security, protection, and stability in the events of day-to-day life. According to the progression principle, which of the following needs has already been satisfied?
- A. Recognition
 - B. Physical well-being
 - C. Affection
 - D. Mastery
 - E. Self-fulfillment
- Answer: B
Page: 42
Learning Objective: 2.2

Difficulty: Hard
AACSB: Reflective thinking skills
Bloom's Taxonomy: Application

68. At the level of _____ needs, the deficit and progression principles cease to operate.
- A. self-actualization
 - B. social
 - C. safety
 - D. esteem
 - E. physiological
- Answer: A
Page: 42
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
69. Mary is the manager of Peace, an international campaigning organization where volunteers work without being paid. Which of the following needs should Mary focus on to increase the productivity of the volunteers?
- A. Physical well-being
 - B. Safety
 - C. Respect
 - D. Biological maintenance
 - E. Protection
- Answer: C
Page: 42
Learning Objective: 2.2
Difficulty: Hard
AACSB: Reflective thinking skills
Bloom's Taxonomy: Application
70. According to Theory X:
- A. people are social and self-actualizing.
 - B. a satisfied need does not motivate behavior.
 - C. people at work rationally consider opportunities made available to them.
 - D. a need is activated only when the next-lower-level need is satisfied.
 - E. people dislike work, lack ambition, act irresponsibly, and prefer to be led.
- Answer: E
Page: 43
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
71. According to Theory Y:
- A. people are willing to work, like responsibility, and are self-directed and creative.
 - B. people are social and self-actualizing
 - C. a satisfied need does not motivate behavior.
 - D. people at work rationally consider opportunities made available to them
 - E. a need is activated only when the next-lower-level need is satisfied.
- Answer: A
Page: 43
Learning Objective: 2.2
Difficulty: Easy

AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

72. Which of the following is true of a self-fulfilling prophecy?
- A. It does not occur to managers who hold Theory X assumptions.
 - B. It occurs when a person acts in ways that confirm another's expectations.
 - C. It does not occur to managers who hold Theory Y assumptions.
 - D. It is the tendency of persons singled out for special attention to perform as expected.
 - E. It tries to match management practices with situational demands.

Answer: B

Page: 43

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

73. Ross is a manager who assumes that his workers dislike work and act irresponsibly. He tries to command and control his workers in every possible way. According to the self-fulfilling prophecy, his workers are most likely to:
- A. take initiatives.
 - B. become creative.
 - C. become passive and dependent.
 - D. be self-directed.
 - E. perform responsibly.

Answer: C

Page: 43

Learning Objective: 2.2

Difficulty: Hard

AACSB: Reflective thinking skills

Bloom's Taxonomy: Application

74. Michelle is a manager who assumes that her workers are willing to work, like responsibility, and are self-directed. She encourages them to be more involved in their jobs and grants them reasonable freedom. Michelle's subordinates are most likely to:
- A. act passively.
 - B. become dependent.
 - C. perform reluctantly.
 - D. perform irresponsibly.
 - E. take initiatives.

Answer: E

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Learning Objective: 2.2

Difficulty: Hard

AACSB: Reflective thinking skills

Bloom's Taxonomy: Application

75. Theory X is similar to Theory Y in that managers holding Theory X assumptions:
- A. believe that people are willing to work and like responsibility.
 - B. believe that people are self-directed and creative.
 - C. typically create responsible workers.
 - D. create self-fulfilling prophecies.
 - E. create opportunities to satisfy esteem and self-actualizing needs.

Answer: D

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Learning Objective: 2.2

Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Comprehension

76. According to Argyris:
- A. managers who treat people positively and as responsible adults will achieve the highest productivity.
 - B. the principle of specialization increases opportunities for self-actualization.
 - C. bureaucracy allows workers to control their work.
 - D. the concept of unity of direction leads to psychological success.
 - E. people dislike work, lack ambition, act irresponsibly, and prefer to be led.

Answer: A

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Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

77. Argyris's theory of adult personality is similar to the Theory Y in that, Argyris's theory:
- A. assumes people dislike work and lack ambition.
 - B. assumes people prefer to be led.
 - C. limits opportunities for self-actualization.
 - D. argues that managers must treat people as responsible adults.
 - E. creates conditions for psychological failures.

Answer: D

Page: 43

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

78. Argyris's theory of adult personality differs from the scientific management theory in that, Argyris's theory:
- A. develops rules of motion.
 - B. develops a clear and consistent approach to work.
 - C. proposes excessive supervision of employees.
 - D. uses the concept of "time study" to improve efficiency.
 - E. criticizes the principle of specialization.

Answer: E

Page: 43

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

79. According to Argyris's theory of adult personality, which of the following creates dependent and passive workers?
- A. Bureaucracy
 - B. Organization as systems
 - C. Organizations as communities
 - D. Scientific management
 - E. Maslow's theory of human needs

Answer: A

Page: 43

Learning Objective: 2.2

Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Comprehension

80. According to Argyris's theory of adult personality, which of the following may create conditions for psychological failure?
- A. The deficit principle
 - B. The progression principle
 - C. The concept of motion study
 - D. The concept of unity of direction
 - E. The principle of specialization

Answer: D

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Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

81. _____ is the use of large data bases and mathematics to solve problems and make informed decisions using systematic investigation.

- A. Analytics
- B. Evidence-based management
- C. Total quality management
- D. Contingency thinking
- E. Proxemics

Answer: A

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Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

82. A coal extracting company is worried about the depleting coal reserves in various parts of the world. It wants to make future projections for reserve sizes and depletion rates that are useful in the planning process. Which of the following quantitative approaches should the company apply?

- A. Inventory analysis
- B. Mathematical forecasting
- C. Queuing theory
- D. Linear programming
- E. Network models

Answer: B

Page: 45

Learning Objective: 2.3

Difficulty: Hard

AACSB: Reflective thinking skills

Bloom's Taxonomy: Application

83. A food chain is getting complaints from customers that waiting times are too long from the time of order placement to the time of delivery during certain times of the day. The outlet wants to allocate service personnel and workstations based on alternative workload demands and in a way that minimizes both customer waiting times and costs of service workers. Which of the following quantitative approaches is the outlet most likely to apply?

- A. Inventory analysis
- B. Mathematical forecasting

- C. Queuing theory
 - D. Linear programming
 - E. Network models
- Answer: C
Page: 45
Learning Objective: 2.3
Difficulty: Hard
AACSB: Reflective thinking skills
Bloom's Taxonomy: Application

84. _____ helps control stocks by mathematically determining how much to automatically order and when.

- A. Queuing theory
- B. Mathematical forecasting
- C. Inventory analysis
- D. Linear programming
- E. Network models

Answer: C
Page: 45
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

85. Which of the following is true of linear programming?

- A. It makes future projections useful in the planning process.
- B. It helps control inventories by mathematically determining how much to automatically order and when.
- C. It allocates service personnel and workstations based on alternative workload demands.
- D. It calculates how best to allocate production among different machines.
- E. It breaks large tasks into smaller components and diagrams them in step-by-step sequences.

Answer: D
Page: 46
Learning Objective: 2.3
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

86. Network models are used to:

- A. make future projections useful in the planning process.
- B. control inventories by mathematically determining how much to automatically order and when.
- C. allocate service personnel and workstations based on alternative workload demands.
- D. calculate how best to allocate production among different machines.
- E. break large tasks into smaller components and diagram them in step-by-step sequences.

Answer: E
Page: 46
Learning Objective: 2.3
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

87. In an open system, which of the following is an input?

- A. The oven used by the baker

- B. The service offered by the baker
- C. The gourmet cheese offered by the deli
- D. A loaf of bread
- E. A sandwich sold at a deli

Answer: A

Page: 46

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

88. In an open system, which of the following is an output?

- A. Technology
- B. People
- C. Supplies
- D. Money
- E. Goods

Answer: E

Page: 46

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Reflective thinking skills

Bloom's Taxonomy: Application

89. _____ tries to match managerial responses with problems and opportunities specific to different people and settings.

- A. Total quality management
- B. Knowledge management
- C. Evidence-based management
- D. Contingency thinking
- E. Quantitative analysis

Answer: D

Page: 46

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

90. Which of the following works best in a stable and predictable environment?

- A. Tight bureaucracy
- B. Evidence-based management
- C. Human relations approach
- D. Knowledge management
- E. Quality management

Answer: A

Page: 47

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

91. From a contingency perspective, a tight bureaucracy:

- A. is a dynamic way of organizing things.
- B. is best suited in organizations that are quick in adapting to changing circumstances.
- C. is best suited for quick handling of problems.

- D. works best in a relatively unstable environment.
- E. works best when the operations are predictable and uncomplicated.

Answer: E

Page: 47

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Comprehension

92. _____ is an organization-wide commitment to continuous improvement, product attribute, and customer needs.

- A. Quantitative analysis
- B. Total quality management
- C. Theory X
- D. Theory Y
- E. Scientific management

Answer: B

Page: 47

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

93. Which of the following is true of total quality management?

- A. It makes quality principles part of the organization's strategic objectives.
- B. It is applied only to a few aspects of operations.
- C. It applies exclusively to the managers.
- D. It applies to the inputs of a system.
- E. It is a one-time improvement process.

Answer: A

Page: 47

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

94. Which of the following is a predominant principle of total quality management?

- A. Contingency thinking
- B. Continuous improvement
- C. Quantitative analysis
- D. Progression principle
- E. Deficit principle

Answer: B

Page: 47

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge

95. An ISO certification is a global indicator of the importance of:

- A. knowledge management.
- B. evidence-based management.
- C. total quality management.
- D. quantitative analysis.
- E. contingency thinking.

Answer: C
Page: 47
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

96. _____ is the process of using intellectual capital for competitive advantage.
- A. Evidence-based management
 - B. Knowledge management
 - C. Quantitative analysis
 - D. Total quality management
 - E. Scientific management

Answer: B
Page: 48
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

97. Which of the following is an intellectual asset?
- A. Receivables
 - B. Inventory
 - C. Patents
 - D. Equipment
 - E. Cash

Answer: C
Page: 48
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

98. A learning organization that continuously improves, using the lessons of experience, is one that mainly practices _____.
- A. bureaucracy
 - B. administrative principles
 - C. scientific management
 - D. evidence-based management
 - E. knowledge management

Answer: E
Page: 49
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge

99. Which of the following best describes evidence-based management?
- A. It is the process of using intellectual capital for competitive advantage.
 - B. It involves making decisions based on hard facts about what really works.
 - C. It is the use of large data bases and mathematics to solve problems.
 - D. It is the science of reducing a task to its basic physical motions.
 - E. It emphasizes careful selection and training of workers and supervisory support.

Answer: B
Page: 49

Learning Objective: 2.3
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Comprehension

Essay Questions

100. Explain the conclusion of the Hawthorne Studies.
Answer: Elton Mayo and his colleagues conducted the Hawthorne Studies and concluded that the new "social setting" created for workers in the test room made them want to do a good job. They shared pleasant social relations with one another and got lots of special attention that made them feel important. They were given a lot of information and were frequently asked for their opinions. Mayo's team concluded that good "human relations" in the test room resulted in higher productivity.
Page: 40
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Comprehension
101. Explain the two underlying principles that form a basis for Maslow's theory of human needs.
Answer: Abraham Maslow described a need as a physiological or psychological deficiency a person feels the compulsion to satisfy, suggesting that needs create tensions that can influence a person's work attitudes and behaviors. Maslow's theory is based on two underlying principles. The first is the deficit principle—a satisfied need is not a motivator of behavior. People act to satisfy "deprived" needs, those for which a satisfaction "deficit" exists. The second is the progression principle—the five needs exist in a hierarchy of "prepotency." A need at any level is activated only when the next-lower-level need is satisfied.
Page: 41-42
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
102. What are the two different assumptions that create a self-fulfilling prophecy?
Answer: Theory X and Theory Y are the two assumptions that create self-fulfilling prophecies. Managers with Theory X assumptions, for example, act in a very directive "command-and-control" fashion that gives people little personal say over their work. These supervisory behaviors create passive, dependent, and reluctant subordinates, who tend to do only what they are told to or required to do. This reinforces the original Theory X viewpoint. In contrast to Theory X, managers with Theory Y assumptions tend to behave in "participative" ways that allow subordinates more job involvement, freedom, and responsibility. This creates opportunities to satisfy esteem and self-actualization needs; workers tend to perform as expected with initiative and high performance.
Page: 43
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
103. Discuss organizations as systems.
Answer: Organizations have long been described as cooperative systems that achieve great things by combining resources and the contributions of many individuals to achieve a

common purpose. But the reality is that cooperation among the many people and parts is often imperfect and can be improved upon. This is why it's important to understand the full complexity of an organization as a system of interrelated parts or subsystems that work together to achieve a common purpose. It is helpful to view organizations as open systems that interact with their environments in the continual process of transforming inputs—people, technology, information, money, and supplies—into outputs—goods and services for their customers and clients.

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Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytic skills

Bloom's Taxonomy: Knowledge