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MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

At the end of the 19th century, after the industrial revolution, managers found that they not only had to adjust to new technologies in the workplace but also to the social problems that accompanied them.

A) True
B) False

Answer: A

Jaron wants to speed up the production process, so he used a time-and-motion study that monitored the actions required to complete the tasks in the assembly line.

A) True
B) False

Answer: A

The original purpose of Frederick W. Taylor's scientific management techniques was to find a way to increase profitability by using intuitive, or rule-of-thumb knowledge.

A) True
B) False

Answer: B

According to Fayol's principles of management, workers should be given more job duties to perform with less responsibility for their work outcomes.

A) True
B) False

Answer: B

Fayol recommended the use of organizational charts to show the position and duties of each employee in the organization.

A) True
B) False

Answer: A

When Max was promoted to supervise his fellow workers on a production line, he treated them with respect. His coworkers liked working for "one of their own," and their performance improved. This demonstrates the Hawthorne effect.

A) True
B) False

Answer: A

Sonja, a supervisor in a garment factory, believed that her workers were lazy and tried to get away with doing as little work as possible. Sonja's attitude about the workers corresponds to McGregor's Theory Y.

A) True
B) False

Answer: B

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Management science theory focuses on the use of rigorous quantitative techniques.
A) True
B) False
Answer: A

An open system uses resources from its external environment and converts them into goods and services.
A) True
B) False
Answer: A

A drawback of management information systems is that they provide information only about an organization's internal environment, and not the external environment.
A) True
B) False
Answer: B

The _____ theory was introduced in the latter part of the 19th century shortly after the industrial revolution had occurred in Europe and America.
A) management science
B) administrative management
C) behavioral management
D) scientific management
E) organizational environment
Answer: D

Northeast Woodworking is a small business run by skilled workers who produce customized and hand-manufactured furniture. This company engages in _____ production.
A) crafts
B) mechanized
C) mass
D) series
E) flow
Answer: A

Job specialization refers to the process by which
A) members of different departments work together in cross-departmental teams to accomplish projects.
B) subordinates receive orders and report to only one superior.
C) division of labor occurs as different workers gain expertise in tasks.
D) employees explore new ways to improve how tasks are performed.
E) each position's formal authority in an organizational hierarchy is established.
Answer: C

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Adam Smith advocated _____ to produce products more quickly.
A) job rotation
B) centralization
C) job specialization
D) division of labor
E) unity of direction
Answer: C

Joan has been working in a bicycle factory for several months. The assembly process requires multiple tasks, and Joan's supervisor assigns her to apply the custom paint and add the decals. Adding the decals requires perfection, and Joan does it quickly and always performs the task well, so her supervisor decides to keep her in this position. This is an example of
A) job specialization.
B) time-and-motion study.
C) standard operating procedures.
D) job rotation.
E) the human relations movement.
Answer: A

Frederick W. Taylor is best known for defining the techniques of
A) scientific management.
B) administrative management.
C) behavioral management.
D) organizational management.
E) management science.
Answer: A

Frederick Taylor believed that written rules and standard operating procedures
A) stifled esprit de corps.
B) made workers like their jobs less.
C) limited initiative and should be avoided.
D) spelled out the division of labor and increased effectiveness.
E) standardized and simplified jobs, making them more efficient.
Answer: E

According to Taylor, the production process becomes more efficient with
A) an increase in the effort that each worker puts in to produce a unit of output.
B) the use of informal rule-of-thumb knowledge.
C) the use of intuitive knowledge.
D) an increase in division of labor through specialization.
E) an increase in the amount of time required to produce a unit of output.
Answer: D

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What did Frank and Lillian Gilbreth discover in their study of fatigue in the workplace?

A) The more quickly a job could be done, the less fatigue was experienced.
B) Job stress did not lead to fatigue.
C) Lighting and the color of the walls had an effect on fatigue.
D) Fatigue occurs less often with specialization of tasks.
E) There was not a strong correlation between fatigue and job performance.

Answer: C

Sally works on a production line. Her manager moves several of her coworkers around to achieve the right worker–task specialization and to link people and tasks by the speed of the production line. If successful, the manager will

A) increase workplace monotony.
B) decrease mechanization of the work process.
C) increase job satisfaction.
D) decrease organizational output.
E) lower costs.

Answer: E

Administrative management is the study of how to

A) determine characteristics of the work setting that affect worker performance.
B) create an organizational structure that leads to high efficiency and effectiveness.
C) tap into the feelings, thoughts, and behavior of work-group members and managers that affect worker performance.
D) motivate employees and encourage them to take on tasks outside their job title.
E) control the organization's relationship with its external environment.

Answer: B

Communication among managers in Angelo's business was slowing down the pace of planning and organizing, so Angelo recently merged some of the company's departments and cut back on the number of managerial levels. This demonstrates which of Fayol's principles of management?

A) unity of command
B) authority and responsibility
C) order
D) line of authority
E) unity of direction

Answer: D

_____ refers to a system of task and authority relationships that controls how employees use resources to achieve a company's goals.

A) An open system
B) Organic structure
C) Organizational structure
D) Bureaucracy
E) A closed system

Answer: C

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_____ refers to a formal system of organization and administration designed to ensure efficiency and effectiveness.

A) An open system
B) Synergy
C) Authority
D) Empowerment
E) Bureaucracy

Answer: E

In a bureaucracy, a manager's formal authority derives from

A) informal rule-of-thumb knowledge.
B) the position the manager holds in the organization.
C) codifying the new methods of performing tasks into written rules.
D) the manager's social standing and personal contacts.
E) intuitive knowledge.

Answer: B

_____ is the power to hold workers accountable for their actions and to make decisions about the use of organizational resources.

A) Bureaucracy
B) Authority
C) Synergy
D) Empowerment
E) Initiative

Answer: B

Billy Jean was angry that her supervisor told her she had to change the way she performed the job to increase her efficiency. However, the supervisor's position gave him the _____ to change Billy Jean's work behavior.

A) bureaucracy
B) empowerment
C) initiative
D) authority
E) pay grade

Answer: D

_____ gives managers the right to direct and control their subordinates' behavior to accomplish organizational goals.

A) Bureaucracy
B) Authority
C) Entropy
D) Synergy
E) Equity

Answer: B

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When the tasks and authority associated with various positions in the organization are clearly specified, it creates a scenario where

A) managers face difficulty in tracking the assigned tasks.
B) employees are not sure of what is expected of them.
C) confused employees create havoc within the formal hierarchy of authority.
D) employees can be held strictly accountable for their actions.
E) order and discipline are undermined.

Answer: D

Henri Fayol believed that in order to increase the efficiency of the management process, it is essential that

A) authority is concentrated at the top of the chain of command.
B) there are a greater number of levels in a managerial hierarchy.
C) all organizational members are treated with justice and respect.
D) managers do not have the right to give orders to employees; they should only give polite instructions.
E) managers discourage creativity in employees so that they stay focused on their jobs.

Answer: C

Maria's job involves maintaining an accurate inventory and financial data. Her manager provided her with specific written instructions on how to perform the job task that is also used by other employees who do the same work. This is an example of

A) bureaucracy.
B) organizational norms.
C) behavioral management.
D) discipline.
E) standard operating procedures.

Answer: E

In the context of management, rules refer to

A) the methodical arrangement of positions to provide the organization with the greatest benefit.
B) the performance gains that result when individuals and departments coordinate their actions.
C) a reporting relationship in which an employee receives orders from only one superior.
D) the ability of an individual to act on his own accord without direction from a superior.
E) formal written instructions that specify actions to be taken under different circumstances.

Answer: E

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Michel's company's IT department sent an email to all employees explaining how employees must secure their computers when they leave their offices. Employees would most likely consider these instructions

A) orders.
B) suggestions.
C) norms.
D) recommendations.
E) rules.

Answer: E

An example of a company's standard operating procedure is

A) a compulsory practice of employees cleaning their work areas at the end of each day.
B) a recommendation by the human resources department that employees wear formal clothes during the week.
C) a general recommendation that all employees leave their work machines in good order.
D) a suggestion by the technical department to save all work-related files on the company FTP site.
E) an informal code of conduct prescribing that employees help each other if time permits.

Answer: A

An example of a norm is

A) a suggestion by the technical department that all work-related files are saved in a common location.
B) an informal code of conduct recommending that employees help each other if time permits.
C) a requirement by the human resources department that employees wear formal clothes during the week.
D) a general mandatory guideline requiring all employees to leave their work machines in good order.
E) a specific mandatory guideline asking employees to oil machine parts labeled A and B and replace C and D.

Answer: B

An example of a rule is

A) an informal code of conduct recommending that employees help each other if time permits.
B) a recommendation by the human resources department that employees wear formal clothes during the week.
C) a general mandatory guideline requiring all employees to leave their work machines in good working order.
D) a suggestion by the technical department to save all work-related files on the company's FTP site.
E) a statement issued by the company specifying the sales projection for the next fiscal year.

Answer: C

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In an organization, rules are
A) unwritten expectations of behavior.
B) formal, written instructions to achieve specific goals.
C) suggestions about best practices.
D) informal codes of conduct.
E) focused more on creating goals rather than achieving them.
Answer: B

In an organization that follows Weber's principles of bureaucracy, positions are arranged
A) in a flat line.
B) by salary level.
C) by skills.
D) by functional departments.
E) hierarchically.
Answer: E

Norms are
A) specified actions to be taken under different circumstances to achieve specific company goals.
B) detailed instructions about how to perform a certain aspect of a task.
C) written instructions about desired behavior in the workplace.
D) informal codes of conduct among employees in a particular company.
E) mandatory instructions that must be followed by all employees of a company.
Answer: D

Henri Fayol's principles of management are
A) opposed to the division of labor in principle.
B) based primarily on the belief that authority should be concentrated at the top of the chain of command.
C) strongly based on Weber's theory of management.
D) no longer considered a useful theory of management.
E) the bedrock on which much of recent management theory and research is based.
Answer: E

Josh works for an advertising agency. There are several middle managers, but Josh only receives orders from and reports to one manager. Which of Fayol's principles of management is illustrated by Josh's relationship with his manager?
A) equity
B) initiative
C) unity of command
D) unity of direction
E) centralization
Answer: C

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According to Fayol, _____ refers to the chain of command extending from the top to the bottom of an organization.

A) unity of direction
B) unity of command
C) centralization
D) division of labor
E) line of authority

Answer: E

Tayler is an engineer at an assembly plant for an auto company. Tayler receives orders from and reports to both his department manager and his project manager. This violates Fayol's principle of

A) unity of direction.
B) unity of command.
C) centralization.
D) line of authority.
E) division of authority and responsibility.

Answer: B

Rashid has chosen not to advocate for dual command at his company because it

A) strengthens order and discipline.
B) exists when a subordinate receives orders from only one supervisor.
C) makes assessing a manager's authority easy.
D) was advocated by Henri Fayol.
E) causes confusion among subordinates.

Answer: E

Company Z has an organizational hierarchy with salespeople at the bottom, who report to regional sales managers, who in turn report to a director of marketing. The director of marketing reports to the CEO. This is an example of which of Fayol's principles of management?

A) discipline
B) division of labor
C) equity
D) centralization
E) line of authority

Answer: E

_____ refers to the concentration of authority at the top of the organizational chart instead of being distributed throughout the managerial hierarchy.

A) Centralization
B) Entropy
C) Synergy
D) Unity of command
E) Unity of direction

Answer: A

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When an organization is centralized,

A) it prevents the organization from pursuing its strategy.
B) it allows people who are closest to problems to respond to them in a timely manner.
C) subordinates play an important role in decision making within the company.
D) authority is concentrated at the top of the managerial hierarchy.
E) it makes middle and first-line managers more flexible and adaptable.

Answer: D

Carl works for a printing business that offers printing and copying, bookbinding, and graphic design. The business has a single, comprehensive long-term plan that guides every department. The business is following Fayol's principle of

A) order.
B) unity of direction.
C) line of authority.
D) unity of command.
E) centralization.

Answer: B

Fayol recommended the use of _____ to show the position and duties of each employee and to indicate which positions an employee might move to or be promoted to in the future.

A) the critical path method (CPM)
B) an organizational chart
C) an initiative analysis
D) unity of direction
E) an extensive career plan

Answer: B

An employee who respects her manager's authority and strives to achieve the organization's goals is demonstrating Fayol's principle of

A) discipline.
B) esprit de corps.
C) order.
D) equity.
E) remuneration of personnel.

Answer: A

Fayol's principle of initiative suggests that

A) managers should use rewards to motivate the behavior of employees.
B) organizations provide employees with career opportunities that satisfy their needs.
C) managers should ensure that the tasks and roles of each employee require innovation and creativity.
D) managers should encourage employees to act on their own without direction from a supervisor.
E) managers must act fairly and equitably.

Answer: D

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Henri Fayol's principle of equity refers to

A) shared feelings of comradeship, enthusiasm, or devotion to a common cause among members of a group.
B) the methodical arrangement of positions to provide the organization with the greatest benefit and to provide employees with career opportunities.
C) the justice, impartiality, and fairness to which all organizational members are entitled.
D) the concentration of authority at the top of the managerial hierarchy.
E) development of skills for long-term employees.

Answer: C

Chris has a job as a sales representative for a pharmaceutical company. The company offers both quarterly and annual bonuses based on performance. The company also has a profit-sharing plan for its employees. This demonstrates Fayol's principle of

A) remuneration of personnel.
B) esprit de corps.
C) initiative.
D) equity.
E) subordination of individual interests to the common interest.

Answer: A

At Home Service, Inc., employees stay with the organization for many years and develop skills on the job that help Home Service, Inc. become more efficient. This is consistent with Fayol's principle of

A) order.
B) stability of tenure.
C) unity of direction.
D) unity of command.
E) discipline.

Answer: B

Tae Min feels that it would be unfair to his team and his company to take a sick day to sleep in. He understands Fayol's principle of

A) subordination of individual interests to the common interest.
B) esprit de corps.
C) remuneration of personnel.
D) stability of tenure of personnel.
E) unity of command.

Answer: A

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According to Henri Fayol, initiative refers to

A) the ability to act on one's own without direction from a superior.
B) the justice, impartiality, and fairness to which all organizational members are entitled.
C) shared feelings of comradeship, enthusiasm, or devotion to a common cause among members of a group.
D) obedience, energy, application, and other outward marks of respect for a superior's authority.
E) the methodical arrangement of positions to provide the organization with the greatest benefit and to provide employees with career opportunities.

Answer: A

According to Henri Fayol, esprit de corps refers to

A) the justice, impartiality, and fairness to which all organizational members are entitled.
B) the ability to act on one's own without direction from a superior.
C) shared feelings of comradeship, enthusiasm, or devotion to a common cause among members of a group.
D) the methodical arrangement of positions to provide the organization with the greatest benefit and to provide employees with career opportunities.
E) obedience, energy, application, and other outward marks of respect for a superior's authority.

Answer: C

Every year, Johnson-Murphy holds a company picnic with competitive games and fun activities so its employees can get to know one another in a more social setting. Johnson-Murphy is focusing on Fayol's concept of

A) remuneration of personnel.
B) subordination of individual interests to the common interest.
C) order.
D) unity of direction.
E) esprit de corps.

Answer: E

The owners of Hae-Won's company make all of the important decisions even through there are middle managers who supervise front-line employees. When there are problems, these managers are reluctant to make decisions without speaking with one of the owners. This illustrates the problem with which of Fayol's principles of management?

A) order
B) unity of direction
C) discipline
D) equity
E) centralization

Answer: E

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Mary Parker Follett's primary criticism of Taylor's system of scientific management was that Taylor
A) said that managers should behave as coaches and facilitators—not as monitors and supervisors.
B) did not use scientific techniques like time-and-motion studies to analyze workers' jobs.
C) was ignoring the human side of the organization and did not allow workers to exercise initiative and contribute to the organization.
D) proposed that managers should involve workers in analyzing their jobs to identify better ways to perform tasks.
E) advocated that workers, rather than managers, should be in control of the work process itself.

Answer: C

Which of the following best reflects Mary Parker Follett's views on management and leadership in an organization?
A) If workers have the relevant knowledge, then workers, not managers, should be in control of the work process itself.
B) Members of different departments should avoid working together in cross-departmental teams to accomplish projects in order to minimize duplication of effort.
C) Managers should avoid involving workers in analyzing their jobs to identify better ways to perform tasks, as this could lead to employees underperforming.
D) Managers' formal authority deriving from their position in the hierarchy should decide who will lead at any particular moment.
E) The formal line of authority and vertical chain of command are the most essential steps to effective management.

Answer: A

Employees at Southwest Airlines have highly flexible job descriptions that enable them to chip in and help where needed. Employees are encouraged to help solve problems where they see them. Thus, it's not uncommon to see a Southwest manager helping move passenger luggage into aircraft or check in passengers at a gate. This demonstrates the concepts in
A) Theory X.
B) management science theory.
C) Theory Y.
D) contingency theory.
E) organizational environment theory.

Answer: C

The human relations movement advocates that
A) employees be monitored outside the workplace.
B) supervisors be behaviorally trained to manage subordinates.
C) supervisors make all the important decisions concerning the company.
D) managers use punishments as a tool to elicit cooperation from employees.
E) the level of work-group performance be controlled by workers.

Answer: B

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What is the Hawthorne effect?

A) Productivity increases, regardless of the level of illumination in the workplace.
B) Group members may subject those workers who violate the group norms to sanctions.
C) Employees in a "no-talking" workplace develop ways of talking to one another out of the sides of their mouths.
D) Workers' productivity is affected more by their manager's personal behavior than by the work setting.
E) Workers will conceal the true potential efficiency of a work system to protect their interests.

Answer: D

_____ is the study of the factors that have an impact on how individuals and groups respond to and act in organizations.

A) Scientific management
B) Administrative management
C) Hawthorne studies
D) Management science
E) Organizational behavior

Answer: E

What practice was advocated by Mary Parker Follett?

A) Workers should not be allowed to participate in the work development process.
B) Workers should be allowed to exercise initiative in their everyday work lives.
C) Managers should behave as monitors and supervisors.
D) Authority should align with hierarchical positions rather than knowledge.
E) Members of each department should stick to their own department; cross-functioning should be discouraged.

Answer: B

Managers who accept the assumptions of Theory Y

A) focus on developing rules and procedures to structure the workplace.
B) create a work setting that encourages commitment to organizational goals.
C) rely on rewards and punishments as motivators.
D) view workers as unable to manage their own time.
E) give little autonomy to workers because they are inherently lazy.

Answer: B

Managers who accept the assumptions of Theory X

A) create a work setting that encourages commitment to organization goals.
B) view workers as motivated and capable of exercising self-control.
C) counteract workers' natural tendencies to avoid work.
D) provide opportunities for workers to be imaginative.
E) focus on giving employees opportunities to exercise initiative.

Answer: C

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Managers whose attitudes regarding employees are consistent with Theory Y
A) create work settings that reflect a belief that workers are lazy.
B) do not believe in giving workers any autonomy in solving problems.
C) control workers' behavior by means of rewards and punishments.
D) create work settings that allow workers to exercise initiative.
E) closely supervise their employees.
Answer: D

A "ratebuster," according to Elton Mayo's and F. J. Roethlisberger's bank wiring room experiments, was a person performing
A) below the work-group performance norm.
B) at the pace the manager requests.
C) at a pace he feels matches his pay.
D) above the work-group performance norm.
E) below the company performance standard.
Answer: D

_____ is a contemporary approach to management that focuses on the use of rigorous quantitative techniques to assist managers to make the best use of organizational resources to produce goods and services.
A) Management science theory
B) Behavioral management
C) The human relations movement
D) Contingency theory
E) Administrative management
Answer: A

Companies that use mathematical techniques, such as modeling and simulation, to help determine how to invest its capital are using _____ management.
A) contingency
B) quantitative
C) behavioral
D) administrative
E) the human relations
Answer: B

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Katz, Kahn, and Thompson viewed the organization as an open system, which means
A) it is more likely to experience entropy than is a closed system.
B) it is a self-contained system that is not affected by changes in its environment.
C) it uses resources from the external environment for internal processes but does not return anything to the external environment.
D) it takes in resources from its external environment and converts them into goods that are then sent back to that environment for purchase by customers.
E) the input, process, and output stages in the production process are performed in the external environment.
Answer: D

When an organization ignores the external environment and fails to acquire inputs, it is likely to experience
A) control.
B) contingency.
C) conversion.
D) entropy.
E) synergy.
Answer: D

_____ is the performance gain caused by two or more departments coordinating their efforts.
A) Entropy
B) Organizational performance
C) Contingency theory
D) Group performance
E) Synergy
Answer: E

_____ is the idea that the organizational structures and control systems that are chosen by managers depend on characteristics of the external environment in which the organization operates.
A) Theory X
B) Equity theory
C) Behavioral management theory
D) Contingency theory
E) Theory Y
Answer: D

The primary message of _____ is that there is no one best way to organize.
A) management science theory
B) Theory X
C) behavioral management theory
D) administrative management theory
E) contingency theory
Answer: E

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If a manager designs the organizational hierarchy based on the characteristics of the organizational environment, he is acting in accordance with _____ theory.

A) queuing
B) chaos
C) contingency
D) Fayol's
E) equity

Answer: C

Paula starts a new bakery business. Because she must meet specific requirements from the state health department, Paula decides to use a mechanistic structure for management. What demonstrates Paula's choice to organize and control the business with a mechanistic structure?

A) Authority is decentralized to middle and first-line managers to encourage them to take responsibility.
B) Employees are closely supervised and follow well-defined rules and standard operating procedures.
C) The organization uses the structure only when needed—when the organizational environment is unstable.
D) A mechanistic structure requires more managerial time, money, and effort than an organic structure.
E) Managers can react more quickly to a changing environment than can managers in an organic structure.

Answer: B

Millibytes Inc. implements an organic structure, which means that at Millibytes,

A) authority is decentralized to middle and first-line managers.
B) employees are discouraged from taking up more responsibilities.
C) employees are closely supervised and follow well-defined rules.
D) emphasis is placed on strict discipline and order.
E) forming of cross-departmental or functional teams is discouraged.

Answer: A

Dayfair Mobile's external environment is changing rapidly, and it responds by decentralizing decisions to allow lower-level managers to react faster. Which type of organizational structure allows this?

A) organizational
B) mechanistic
C) formal
D) organic
E) bureaucratic

Answer: D

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Paolo is a manager for a small business. He wants his five subordinates to have positive working relationships and he wants to create a welcoming office environment. To encourage socializing and to motivate his staff to meet organizational goals, Paolo invites his subordinates to lunch once a week. Within a few weeks, Peter sees an increase in performance and improved collaboration among the staff members. This demonstrates the use of

A) behavioral management.
B) standard operating procedures (SOPs).
C) organizational behavior.
D) scientific management.
E) administrative management.

Answer: A

Synergy is defined as

A) a system that is self-contained and thus not affected by changes occurring in its external environment.
B) an approach to management that uses rigorous quantitative techniques.
C) the set of forces and conditions that operate beyond an organization's boundaries.
D) the tendency of a closed system to lose its ability to control itself and thus to dissolve and disintegrate.
E) the performance gains that result when individuals and departments work together.

Answer: E

Max Weber developed the

A) principles of bureaucracy.
B) contingency theory.
C) principles of management.
D) principles of scientific management.
E) Theory X and Theory Y assumptions.

Answer: A

Mel knows that the hair-styling business is highly competitive and new trends are constantly emerging, so she regularly provides training for her stylists, so they not only keep up with the latest hairstyles and techniques but are also able to provide new services to their customers. This, according to Teece, demonstrates the business's

A) user credibility.
B) external focus.
C) organizational synergy.
D) dynamic capabilities.
E) organic structure.

Answer: D

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Teece uses the term _____ to describe a company's ability to identify and assess opportunities outside the company.

A) transforming
B) seizing
C) sensing
D) appraisal
E) evaluating

Answer: C

When Apple created the iPod, it shifted its focus from computers to consumer electronics, demonstrating Teece's concept of

A) expanding.
B) sensing.
C) converting.
D) seizing.
E) transforming.

Answer: E

Which of Teece's managerial activities would a company embrace if it wanted to use company resources to capture value for the organization from previously determined opportunities?

A) seizing
B) sensing
C) transforming
D) positioning
E) controlling

Answer: A

Steve Jobs recognized that consumers wanted a smaller mp3 player than they could buy at the time, so Apple developed the iPod. This demonstrates Teece's

A) Theory Y.
B) Theory X.
C) management science theory.
D) contingency theory.
E) theory of dynamic capabilities.

Answer: E

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ESSAY. Write your answer in the space provided or on a separate sheet of paper.

Name three of the ways organizations changed after the industrial revolution. Which do you think has continued to affect business in the 21st century?

Answer: 1. Managers tried to find better ways to satisfy customers' needs.
2. New, more sophisticated machinery and equipment changed the way goods were produced.
3. Small workshops were replaced by big factories.
4. Workers were replaced by machines.
5. Organizations were unprepared for the social problems that occur when people work in large groups.
6. Managers needed to find ways to increase efficiency of the worker-task mix.

An argument could be made for each of these, but students should focus on how one of the six changes still affects today's companies in a significant way.

What is meant by scientific management? What are the four principles of scientific management described by Frederick W. Taylor?

Answer: Scientific management is the systematic study of relationships between people and tasks for the purpose of redesigning the work process to increase efficiency. Taylor's four principles are (1) Study the way workers perform their tasks, gather all the informal job knowledge the workers have, and experiment with ways of improving how tasks are performed. (2) Codify the new methods into written rules and standard operating procedures. (3) Carefully select workers who possess the skills and abilities that match the needs of the tasks, and train them to perform according to established rules and standard operating procedures. (4) Establish a fair level of performance for a task, and then develop a pay system to reward those who perform above that level.

How would you support the opinion that scientific management can cause dissatisfaction in workers?

Answer: If managers don't implement all the principles in scientific management, workers become dissatisfied. Workers can resist attempts to use the new scientific management techniques and at times even withhold their job knowledge from managers to protect their jobs and pay. It is not difficult for workers to conceal the true potential efficiency of a work system to protect their interests.

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List and discuss Weber's five principles of bureaucracy. Do you agree with all of them? Why or why not? Give your answer in the context of a specific company.

Answer: Administrative management is the study of how to create an organizational structure and control system that leads to high efficiency and effectiveness. Max Weber developed the principles of bureaucracy. They are as follows: (1) In a bureaucracy, a manager's formal authority derives from his/her position in the organization. (2) In a bureaucracy, people should occupy positions because of their performance, not because of their social standing or personal contacts. (3) The extent of authority and responsibility of a position and its relationship to other positions in an organization should be clearly specified. (4) Authority can be exercised effectively in an organization when positions are arranged hierarchically, so employees know whom to report to and who reports to them. (5) Managers must create a well-defined system of rules, standard operating procedures, and norms to control behavior effectively.

Your friend has just been promoted to CEO of her company and is considering moving to more centralization of authority. What drawbacks to this approach would you point out to your friend?

Answer: Centralization is the concentration of authority at the top of the managerial hierarchy. If authority is very centralized, only managers at the top make important decisions, and subordinates simply follow orders. This arrangement gives top managers great control over organizational activities and helps ensure that the organization is pursuing its strategy, but it makes it difficult for the people who are closest to problems and issues to respond to them in a timely manner. It also can reduce the motivation of middle and first-line managers and make them less flexible and adaptable because they become reluctant to make decisions on their own, even when doing so is necessary.

Differentiate between an open and a closed system.

Answer: An open system is a system that takes in resources from its external environment and converts or transforms them into goods and services that are sent back to that environment, where they are bought by customers. The system is said to be open because the organization draws from and interacts with the external environment in order to survive; in other words, the organization is open to its environment. A closed system, in contrast, is a self-contained system that is not affected by changes in its external environment.

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Explain how the different types of organizational structures in Burns and Stalker's contingency theory rest on Theory X or Theory Y assumptions.

Answer: The types of structures that Burns and Stalker proposed are mechanistic structure and organic structure. In a mechanistic structure, authority is centralized at the top of the managerial hierarchy, and the vertical hierarchy of authority is the main means used to control subordinates' behavior. Tasks and roles are clearly specified, subordinates are closely supervised, and the emphasis is on strict discipline and order. Everyone knows his or her place, and there is a place for everyone. A mechanistic structure provides the most efficient way to operate in a stable environment because it allows managers to obtain inputs at the lowest cost, giving an organization the most control over its conversion processes and enabling the most efficient production of goods and services with the smallest expenditure of resources. A typical mechanistic structure typically rests on Theory X assumptions. In an organic structure, authority is decentralized to middle and first-line managers to encourage them to take responsibility and act quickly to pursue scarce resources. Departments are encouraged to take a cross-departmental or functional perspective, and cross-functional teams composed of people from different departments are formed. A typical organic structure typically rests on Theory Y assumptions.

The National Labor Relations Board (NLRB) suggests that McDonald's should be considered a "joint-employer" of the workers employed by company franchises. Why do you think NLRB filed this complaint? Explain the impact on McDonald's (and its competitors in the fast-food industry) if there is a ruling. How do you think it will affect the franchisees?

Answer: Most likely the complaint was filed because of violations of labor laws. McDonald's, like other global companies, has faced increased scrutiny about the way its employees are treated. Fast-food work is not well paid, and it sometimes places employees in uncomfortable and stressful situations. Eighty percent of McDonald's restaurants are owned by independent businesses or franchises. A ruling against McDonald's could increase pressure on the company to boost wages and accept more responsibility for working conditions at franchise stores.

During the evolution of modern management, when crafts production was being replaced by large factories, why did owners and managers struggle with challenges and need to focus more on management?

Answer: Owners and managers of the new factories found themselves unprepared for the challenges accompanying the change from small-scale crafts production to large-scale mechanized manufacturing. Moreover, many managers and supervisors in these workshops and factories were engineers who had only a technical orientation. They were unprepared for the social problems that occur when people work together in large groups in a factory or shop system.

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Based on Taylor's four principles for scientific management, what data should managers gather and put to use about behavior and performance at work so they can increase efficiency in the workplace?

Answer: Taylor recommends in Principle 1 that managers study the way workers perform their tasks. Managers can use time-and-motion study, which involves careful timing and recording of the actions taken to perform a particular task. Managers should also gather all the informal job knowledge that workers possess, and they should record data when they experiment with ways of improving how tasks are performed. In Principle 2, Taylor recommends documenting the new methods of performing tasks into written rules and standard operating procedures. Managers will need to gather data to create the SOPs. In Principle 3, Taylor recommends carefully selecting workers who possess skills and abilities that match the needs of the task and training them to perform the task according to the established rules and procedures. Managers should keep notes about workers' skills and abilities. In Principle 4, Taylor recommends that managers establish a fair or acceptable level of performance for a task, so managers need to gather data to measure levels of performance.

Your friend is looking for a new job. She has strong technical skills, and there are many companies with open positions, so she has asked for your advice in choosing a company. Your friend would prefer a boss who will trust her judgment and allow her to use her creativity. Then once she proves her talents, she would want more control over her job. What advice would you give your friend in choosing a company for her job application?

Answer: A company that operates with the Theory Y approach to management would be a good recommendation. When companies operate with the Theory Y approach, it is a manager's task to create a work setting that encourages commitment to organizational goals and provides opportunities for workers to be imaginative and to exercise initiative and self-direction.

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