

Chapter 01 - The World of Innovative Management

True / False

1. The late famed management theorist Peter Drucker is often credited with creating the modern study of management.
 - a. True
 - b. False

ANSWER: True

2. Efficiency refers to the degree to which the organization achieves a stated objective.
 - a. True
 - b. False

ANSWER: False

3. Technical skills are most important for managers at lower organizational levels, while conceptual skills become more important as managers move up the organizational hierarchy.
 - a. True
 - b. False

ANSWER: True

4. The individual performer is a generalist and coordinates a broad range of activities.
 - a. True
 - b. False

ANSWER: False

5. A manager forwards information to other organization members in the disseminator role.
 - a. True
 - b. False

ANSWER: True

6. The rise of virtual work has led to a decline in organizational hierarchies.
 - a. True
 - b. False

ANSWER: True

7. The humanistic perspective contains three subfields: scientific management, bureaucratic organizations, and administrative principles.
 - a. True
 - b. False

ANSWER: False

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8. A criticism of human relations management is that it ignores the social context of work and higher needs of workers.
- a. True
 - b. False

ANSWER: False

9. Administrative acts and decisions recorded in writing is one of the six characteristics of the ideal bureaucracy.
- a. True
 - b. False

ANSWER: True

10. Fayol's unity of command principle emphasizes that each subordinate receives orders from one—and only one—superior.
- a. True
 - b. False

ANSWER: True

11. The scalar chain is a hypothetical chain that provides horizontal links between unionized workers in different departments in an organization.
- a. True
 - b. False

ANSWER: False

12. The Hawthorne studies led to the early conclusion that positive human relations can lead to significantly higher performance.
- a. True
 - b. False

ANSWER: True

13. An assumption of Theory Y is that the average human being has an inherent dislike of work and will avoid it if possible.
- a. True
 - b. False

ANSWER: False

14. The systems thinking approach develops theories about human behavior based on scientific methods and study.
- a. True
 - b. False

ANSWER: False

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15. Organization development is a specific set of management techniques based in the behavioral science approach.
- a. True
 - b. False

ANSWER: True

16. The management science approach uses qualitative data in management decision making.
- a. True
 - b. False

ANSWER: False

17. The field of management that specializes in the physical production of goods or services refers to operations management.
- a. True
 - b. False

ANSWER: True

18. Contingency thinking is the ability to see both the distinct elements of a system or situation and the complex and changing interaction among those elements.
- a. True
 - b. False

ANSWER: False

19. Although developed by a Japanese business manager, the quality movement is strongly associated with American companies.
- a. True
 - b. False

ANSWER: False

20. Supply chain management refers to managing the sequence of suppliers and purchasers, covering all stages of processing from obtaining raw materials to distributing finished goods to consumers.
- a. True
 - b. False

ANSWER: True

21. Customer relationship management (CRM) systems collect and manage large amounts of data about customers and make them available to employees.
- a. True
 - b. False

ANSWER: True

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22. Management idea life cycles have continually grown longer, reflecting the pace of change in today's business world.
- a. True
 - b. False

ANSWER: False

23. The top reason for manager failure is ineffective communication skills and practices.
- a. True
 - b. False

ANSWER: True

Multiple Choice

24. Regina, owner and operator of a small restaurant, believes that her most important task as manager is establishing goals for the restaurant and deciding what must be done to achieve them. This involves which of the following aspects of what managers do?
- a. Organizing
 - b. Motivating and communicating
 - c. Measuring
 - d. Developing people
 - e. Setting objectives

ANSWER: e

25. When senior managers at Gap, Inc. decided to become the number one service-quality clothing company in the world, they were engaging in the management function of:
- a. planning.
 - b. organizing.
 - c. leading.
 - d. controlling.
 - e. dreaming.

ANSWER: a

26. When Terry Doyle of CommuniCom, Inc. created smaller, more independent maintenance units, he was performing the management function of:
- a. controlling.
 - b. human relations skills.
 - c. leading.
 - d. organizing.
 - e. resourcing.

ANSWER: d

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27. Amanda Rowley, president of Autos-R-Us, recognizes the factory employees for their outstanding performance at the monthly awards banquet on the shop floor by presenting a plaque and a check for \$100. She is engaging in the management function of:
- a. bribery.
 - b. organizing.
 - c. technical skills.
 - d. leading.
 - e. controlling.

ANSWER: d

28. Tool Techies, Inc. uses phone surveys of customers to gather information about service and quality. This is an example of the management function of:
- a. planning.
 - b. technical skills.
 - c. organizing.
 - d. controlling.
 - e. conceptual skills.

ANSWER: d

29. The degree to which an organization achieves a stated goal refers to:
- a. effectiveness.
 - b. synergy.
 - c. conceptual skill.
 - d. efficiency.
 - e. human skill.

ANSWER: a

30. For a widget manufacturing company, worker-hours per widget is a measure of:
- a. organizational effectiveness.
 - b. organizational performance.
 - c. organizational efficiency.
 - d. organizational structure.
 - e. organizational assets.

ANSWER: c

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31. Jessica was recently praised by her supervisor for displaying superior customer service during an encounter with a problem customer. This is an example of organizational:
- a. information processing.
 - b. efficiency.
 - c. effectiveness.
 - d. structure.
 - e. goal setting.

ANSWER: c

32. One of the management duties that managers like the least is:
- a. financial planning.
 - b. controlling activities.
 - c. planning for future decisions.
 - d. handling paperwork.
 - e. networking.

ANSWER: d

33. Gail Griffith, manager of the finance division, distributes relevant information every day to all her employees, enabling them to make quality decisions. Gail is performing which of the following roles?
- a. Monitor
 - b. Disseminator
 - c. Spokesperson
 - d. Disturbance handler
 - e. Figurehead

ANSWER: b

34. According to Mintzberg, which of the following is an interpersonal role?
- a. Monitor
 - b. Negotiator
 - c. Liaison
 - d. Disturbance handler
 - e. Spokesperson

ANSWER: c

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35. If a manager finds a severe decline in employee morale and direction, he or she may need to spend more time in the _____ role.
- a. negotiator
 - b. resource allocator
 - c. figurehead
 - d. monitor
 - e. leader

ANSWER: e

36. One of the roles that a small business manager may emphasize over a counterpart in a large organization is:
- a. information processing.
 - b. spokesperson.
 - c. liaison.
 - d. resource allocator.
 - e. leader.

ANSWER: b

37. Since not-for-profit organizations do not have a conventional _____, managers may struggle with the question of what constitutes results and effectiveness.
- a. hierarchy
 - b. bottom line
 - c. information system
 - d. decision-making process
 - e. structure

ANSWER: b

38. Which of the following is a characteristic of a traditional management approach?
- a. Managers play the role of an enabler.
 - b. Managers supervise team members' tasks.
 - c. Managers constantly mobilize for change.
 - d. Managers lead and empower teams.
 - e. Managers encourage conversation and collaboration.

ANSWER: b

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39. The Forestville Freeze is regionally known for its employee training programs. Managers at the Freeze conduct research to determine the best candidate interviewing techniques. This involves the use of which of the following management approaches?
- a. Administrative principles approach
 - b. Bureaucratic approach
 - c. Behavioral sciences approach
 - d. Humanistic approach
 - e. Scientific management approach

ANSWER: c

40. The management science perspective emerged after World War II to treat problems associated with:
- a. modern global warfare.
 - b. environmental issues.
 - c. employee involvement.
 - d. Germany.
 - e. improving manufacturing.

ANSWER: a

41. Within his role as a financial accountant, Roger uses the capital asset pricing model and other mathematical tools to help clients keep track of their finances. Which of the following perspectives or approaches does Roger apply the most at his work?
- a. Quantitative perspective
 - b. Qualitative perspective
 - c. Humanistic approach
 - d. Behavioral science approach
 - e. Scientific management approach

ANSWER: a

42. From the 1950s until today, which of the following management perspectives has remained the most prevalent?
- a. Systems
 - b. Qualitative
 - c. Scientific management
 - d. Quantitative
 - e. Humanistic

ANSWER: e

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43. It is often difficult to make decisions about subsystems because they are:

- a. interdependent.
- b. independent.
- c. managed differently.
- d. filled with employees.
- e. organizationally based.

ANSWER: a

44. In order to determine how to deal with a problem employee, Sharon evaluated the employee, the problem, and the context in which the problem occurred. She is applying which of the following perspectives?

- a. Participative view
- b. Universalist view
- c. Autonomy view
- d. Contingency view
- e. Humanist view

ANSWER: d

45. Which of the following is not a criticism of scientific management?

- a. It does not appreciate the social context of work.
- b. It does not appreciate the higher needs of workers.
- c. It does not appreciate the careful study of tasks and jobs.
- d. It does not acknowledge variance among individuals.
- e. It tends to regard workers as uninformed and ignores their ideas and suggestions.

ANSWER: c

46. According to Weber, organizations based on which of the following would be more efficient and adaptable to change?

- a. Personal loyalty
- b. Personal references
- c. Rational authority
- d. Family ties
- e. Charismatic authority

ANSWER: c

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47. Genex Dynamics is a ballistics company that uses the unity of command, scalar chain, and division of work principles. These are part of which of the following management approaches?
- a. Administrative principles approach
 - b. Bureaucratic approach
 - c. Scientific management approach
 - d. Humanistic approach
 - e. Behavioral sciences approach

ANSWER: a

48. Which of the following was a key finding in the Hawthorne studies?
- a. Stronger lighting increased productivity.
 - b. More money resulted in increased productivity.
 - c. Productivity increased with autocratic leadership.
 - d. Higher temperatures reduced productivity.
 - e. Human relations increased productivity.

ANSWER: e

49. A naturally occurring social group within an organization is part of the:
- a. formal organizational structure.
 - b. informal organization.
 - c. scalar chain.
 - d. reorganization process.
 - e. top management level.

ANSWER: b

50. Used widely by Indian companies, _____ refers to an innovation mind-set that strives to meet customers' immediate needs quickly and inexpensively.
- a. benchmarking
 - b. organizational development
 - c. *kaizen*
 - d. *jugaad*
 - e. bureaucracy

ANSWER: d

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51. Of the management trends that have been popular over the past decade, managers are most aware of:

- a. e-business.
- b. virtual organization.
- c. empowerment.
- d. reengineering.
- e. customer relationship management.

ANSWER: a

Completion

52. _____ is the attainment of organizational goals in an effective and efficient manner through planning, organizing, leading, and controlling organizational resources.

ANSWER: Management

53. In the _____ role, managers initiate improvement projects, identify new ideas, and delegate idea responsibility to others.

ANSWER: entrepreneur

54. Weber's vision of organizations that would be managed on an impersonal, rational basis is called a(n) _____.

ANSWER: bureaucracy

55. According to Fayol, similar activities in an organization should be grouped together under one manager. This administrative principle is known as _____.

ANSWER: unity of direction

56. _____ refers to the field of management that specializes in the physical production of goods or services.

ANSWER: Operations management

57. The process whereby companies find out how others do something better than they do and then try to imitate or improve it is known as _____.

ANSWER: benchmarking

58. _____ refers to managing the sequence of suppliers and purchasers, covering all stages of processing from obtaining raw materials to distributing finished goods to consumers.

ANSWER: Supply chain management

59. By using resources in an efficient and effective manner, managers may reach their ultimate responsibility of achieving high _____.

ANSWER: performance

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Subjective Short Answer

60. List the three management skills necessary to perform effectively in organizations.

ANSWER: The three management skills are:

1. Conceptual skills
2. Human skills
3. Technical skills

61. List the three assumptions associated with McGregor's Theory X.

ANSWER: 1. Individuals have an inherent dislike of work and will avoid it if possible.
2. Most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.
3. The average person prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.

62. Describe the manager's informational roles.

ANSWER: In an informational capacity, a manager is a monitor, seeking and receiving information, scanning periodicals and reports, and maintaining personal contacts; a disseminator, forwarding information to other organization members, sending memos and reports, and making phone calls; and a spokesperson, transmitting information to outsiders through speeches and reports.

Essay

63. Describe the four management functions.

ANSWER: Planning means defining goals for future organizational performance and deciding on the task and use of resources needed to attain them. Organizing involves assigning tasks, grouping tasks into departments, delegating authority, and allocating resources across the organization. Leading is the use of influence to motivate employees to attain organizational goals. Controlling means monitoring employees' activities, determining whether the organization is on track toward goals, and making corrections as necessary.

64. How do small-business managers emphasize different management roles in comparison to larger business managers?

ANSWER: Manager of small businesses often see their most important role as that of spokesperson because they must promote the small, growing company to the outside world. The entrepreneur role is also more important because managers have to be innovative and help their organizations develop new ideas to remain competitive. Small-business managers tend to rate the leader and information-processing roles lower than managers in larger organizations.

65. Discuss the differences between the case view, the universalist view, and the contingency view.

ANSWER: These viewpoints relate to the applicability of management principles. The case view holds that every situation is unique; thus, there are no universal principles and one learns about management by experiencing a large number of case problem situations. Conversely, the universalist view believes that the same management principles will work across every situation in every organization. The contingency view is an integration of these two, i.e., while there are no universal principles, there are common patterns and characteristics. The manager's task is to identify what principles will work when, based on an analysis of key contingencies.