

**Chapter 2**  
**THEORIES OF MANAGING PEOPLE**

**Workbook Exam and Review Questions**

**Multiple Choice Questions**

1. Taylor's scientific management theory focused on \_\_\_\_\_.
  - a. maximizing efficiency through enhancing employee participation
  - b. maximizing efficiency by matching the capacities of workers to specific, standardized jobs (Easy; p. 35)**
  - c. maximizing efficiency by following proven management principles
  - d. maximizing efficiency by employing rational decision making
  - e. none of the above
  
2. The 1920s solution to the nepotism, favoritism, and unprofessional behavior found in organizations at the time was \_\_\_\_\_.
  - a. systems theory
  - b. span of control
  - c. scientific management
  - d. bureaucracy (Easy, p. 35)**
  - e. all of the above
  
3. Which of these was not one of the functions of a manager as defined by Fayol?
  - a. planning
  - b. organizing
  - c. motivating (Easy; p. 35)**
  - d. controlling
  - e. commanding
  
4. The socio-historical context of a strong union movement, distrust for businesspeople, decreased immigration, and scarce labor served as the backdrop for \_\_\_\_\_.
  - a. scientific management
  - b. human relations school (Moderate; p. 36)**
  - c. administrative theory
  - d. open systems theory
  - e. theory x and theory y
  
5. The contention that our decisions are limited by the amount of variables our brains can handle, the time available, and our reasoning powers is known as \_\_\_\_\_.
  - a. maximization
  - b. bounded rationality (Easy; p. 36-37)**
  - c. entropy
  - d. interdependence
  - e. none of the above

6. Open systems theory maintains that all of an organization's "parts" are \_\_\_\_\_.  
a. independent  
b. complex  
c. internally focused  
**d. interdependent (Easy; p. 37)**  
e. none of the above

### True or False Questions

7. Managers with high cognitive complexity can perceive how various management theories apply to situations and can, therefore, choose those that make the most sense in a given situation.  
\_\_\_\_\_ True or \_\_\_\_\_ False? Why?

True. Managers with high cognitive complexity develop more elaborate theories and mental models.

(Moderate; p. 40)

8. According to the competing values framework, an effective manager understands the interdependence among different parts of systems and recognizes that organizations are embedded within the larger environment.  
\_\_\_\_\_ True or \_\_\_\_\_ False? Why?

False. Open systems theory.

(Moderate; p. 38)

9. According to Theory X, people appreciate being treated with courtesy.  
\_\_\_\_\_ True or \_\_\_\_\_ False?

False. This is a component of Theory Y.

(Moderate; p. 34)

### Short Answer Questions

10. How did the Hawthorne studies affect management theory?

They contributed the idea that output was affected by numerous variables that had been previously ignored. These included worker's feelings and attitudes about their work co-workers and boss; how workers were treated; and what happened to them outside of work. This led to the development of the human relations theory of managing. It also led to the understanding that attention and observation can change workers' behavior.

(Moderate; p. 35)

11. When productivity is improved due to attention to the worker, this phenomenon is known as the \_\_\_\_\_ effect.

(Hawthorne; Easy; p. 35)

12. What is the basic premise of contingency theory?

There is no one best way to manage in every situation. Managers must find the appropriate method to match a given situation.

(Easy; p. 37)

13. Successful organizations are characterized by good \_\_\_\_\_ among their strategy, structure, systems, staff, style, skills, and super-ordinate goals.

(fit; Easy; p. 37)

14. In Quinn's competing values framework, master managers \_\_\_\_\_ the competing values of the rational goal, internal process, human relations, and open systems management models.

(balance; Easy; p. 38)

### Essay Questions

15. Discuss the concept of the open system.

- Popular during the rapidly changing environment of the mid-1960s
- Different parts of the systems are interdependent
- Organizations are embedded in the larger environment
- Organizations take in resources and transform them into a service or product that is purchased or utilized by a larger system
- A crucial role for managers is dealing with external entities
- Three major factors affect organizational effectiveness: individuals in the organization, the organization itself, and the larger environment
- Organizational success requires the effective management of the interfaces between the individual and the organization, and the organization and the environment

(Moderate; p. 37-38)

16. Which management concept could you use to explain to Joe what's going on here?

Your friend Joe works at a grocery store; he's been complaining bitterly about his job and his boss. Because he knows you are becoming an expert on organization behavior, he has come to you for advice. He tells you that his boss is constantly looking over his shoulder and telling him what to do next, even when it's obvious. The boss threatens all the employees that he will fire them if they do anything wrong, and he's always sneaking around trying to catch them in the act. Joe asked if he could learn how to do some of the ordering for his department; his boss replied that Joe is paid good money to do the job he already has and that should be good enough. Joe was excited about a new customer service program that corporate headquarters wanted to implement. However, he overheard the boss tell his supervisor they could forget implementing this program in Joe's store because the employees were lazy and incapable of adapting to change. Joe sees himself as highly responsible and dedicated and wishes the boss trusted him more.

Boss has a Theory X orientation whereas Joe has Theory Y values.

(Challenging; p. 36)

17. Contrast the assumptions of Theory X and Theory Y. Give an example of a management practice based on each theory.

Theory X is based on the assumption that humans are inherently lazy, dislike responsibility and prefer to be led. In contrast, Theory Y is based on the opposite assumptions—that humans are responsible, motivated to work hard and develop skills, and capable of self-direction. An example of Theory X is the time clock. An example of Theory Y is comp time. (Moderate; p. 36)

18. What do great managers do?

- Select for talent
- Define outcomes when setting expectations, not the steps to achieve the goal
- Focus on enhancing strengths, not fixing weaknesses
- Find the right job that fits the individual employee

(Moderate; p. 40)

19. What are the four activities that all managers engage in?

- Traditional management activities like planning, budgeting, and decision-making
- Communication
- Human resource development
- Networking

(Moderate; p. 40)

20. Using Quinn's theory of competing values, which management theory does each person in the following example hold?

There is a problem at the factory. The production figures are way down and employees are grumbling. You have been asked to attend a problem-solving meeting with the managers. **Ellen** thinks the best solution is to set clear production goals and carefully delegate tasks. **Carlos** thinks management should talk to employees to find out what is bothering them and then do team building with the key employees. **Anna** suggests that it's time to put their house in order by coming up with tighter procedures and information systems. **Sung Wu** is advocating an expansion program because he thinks the market is favorable and the challenge will pull everyone together.

Ellen = rational goal  
Carlos = human relations  
Anna = internal process  
Sung Wu = open systems

(Challenging; p. 38)