

Solution Manual for Exploring Management 4th Edition by Schermerhorn ISBN 1118620194 - 9781118620199

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Chapter 2

Management Learning

Great Things Grow From Strong Foundations

Chapter 2 Overview

Each Chapter contains several inset features designed to assist the student reader in applying the concepts to relevant examples. *Management Live* illustrates how popular movies demonstrate management concepts in the chapter. *Role Models* features a management professional that illustrates key chapter concepts in a novel, visionary or inspirational way. *Explore Yourself* refers students to self assessment activities relevant to concepts in the chapter. *Ethics Check* profiles examples of ethical issues in management. *Manager's Library* features books that illustrate current events or trends relevant to chapter concepts. *Facts to Consider* introduces research or trends that may be used for class discussion in the classroom or online for distance learning.

This chapter outlines the contributions of management theorists or —thought leaders‖ of their time, who made great contributions to the evolution of management. Great contributions were made to the development of classical management approaches, behavioral management approaches and modern management thinking. Some of the theories and ideas are discussed in greater detail throughout the chapter. Despite many organizational changes over the decades, many of the lessons provide great value for managers today.

The lessons of classical management include Frederick Taylor's scientific management approaches, Weber's bureaucratic organization, and Fayol's administrative principles. The scientific management approach sought to improve productivity by identifying a job's basic steps and motions. During the late 19th century, Weber's insights provided for an —ideal bureaucracy‖ or bureaucratic model for organizations to solve what he viewed as poor performance. Fayol hoped to understand successful managers by identifying their roles and duties.

Next, behavioral management approaches are described. During the 1920s, the contributions of behavioral management approaches focused attention on the human side of organizations as communities of cooperative action and —employee ownership.‖ Self-actualizing and social, Maslow's described a hierarchy of human needs, relevant within the organization. McGregor's Theory X and Theory Y created managerial assumptions about workers and their level of motivation. Agryris's ideas simply suggested that workers treated like adults will be happy and more productive.

Last, modern management approaches are described. They include human approaches and advanced quantitative techniques and analysis (mathematic techniques) as tools to solve complex problems. Another key ingredient to modern management thinking is the concept that

organizations are complex networks of open systems (which explains an organization's customer focus), interacting with their environment. Contingency thinking is an adaptive approach, based

upon the situation, to solving problems in place of a —one size fits all approach. Quality management is focused on the continuous improvement of quality in both production and service industries. Evidence-based management, as its name suggests, is most effective when managers can separate fads from fact and conjecture from informed insight.

Chapter 2 Takeaway Questions:

- **Takeaway 2.1 What are the Lessons of the Classical Management Approaches?**
- **Takeaway 2.2 What Are the Contributions of the Behavioral Management Approaches?**
- **Takeaway 2.3 What are the Foundations of Modern Management Thinking?**

Chapter 2 Objectives:

- To explain the underlying assumptions of the classical management approaches: scientific management, bureaucratic organizations, and administrative principles.
- To explain the principles of Frederick Taylor's scientific management approach
- To understand the premise of Weber's bureaucratic organization and the characteristics of what he believed to be an ideal bureaucracy.
- To define Fayol's administrative principles and duties of management.
- To understand the contributions of the behavioral management approaches
- Explain how Follett's ideas advocated for social responsibility, respect for workers, and cooperation throughout an organization.
- To explain the influence of the Hawthorne studies on modern management approaches.
- To understand the relevancy and application of Maslow's hierarchy of needs within an organization.
- Distinguish between Theory X and Theory Y assumptions and expectations by managers, and why Theory Y assumptions may be more appropriate.
- To explain Agyris's concern that traditional organizational practices are inconsistent with the needs and capabilities of mature adults.
- To describe how managers solve complex problems by using analytics or mathematical tools to conduct quantitative and statistical analyses.
-
- To understand operations management or how organizations produce goods and services efficiently and effectively.
- To explain within today's organizations, the complex networks of open-systems and subsystems that interact with their environment to obtain resources.
- To explain contingency thinking as a way to identify practices that best fit with the unique demands of different situations.
- To explain the importance of continuous improvement and quality management as part of an organization's ongoing management objectives.

- To describe the application of evidence-based management by making decisions on hard facts and what really works.

Chapter 2 Lecture Outline:

- **Takeaway 2.1: What are the Lessons of the Classical Management Approaches?**
 - Taylor's scientific management sought efficiency in job performance.
 - Weber's bureaucratic organization is supposed to be efficient and fair.
 - Fayol's administrative principles describe managerial duties and practices.

- **Takeaway 2.2: What Are the Contributions of the Behavioral Management Approaches?**
 - Follett viewed organizations as communities of cooperative action.
 - The Hawthorne studies focused attention on the human side of organizations.
 - Maslow described a hierarchy of human needs with self-actualization at the top
 - McGregor believed managerial assumptions create self-fulfilling prophecies.
 - Agyris suggests that workers treated as adults will be more productive.

- **Takeaway 2.3: What are the Foundations of the Modern Management Thinking?**
 - Managers use quantitative analysis and tools to solve complex problems.
 - Organizations are open systems that interact with their environments.
 - Contingency thinking holds that there is no one best way to manage.
 - Quality management focuses attention on continuous improvement.
 - Evidence-based management seeks hard facts about what really works.

Chapter 2 Supporting Materials:

Figures

- Figure 2.1: Who Are the Major Contributors to the Behavioral or Human Resource Approaches to Management Thinking?
- Figure 2.2: How does Maslow's Hierarchy of Human Needs Operate?
- Figure 2.3: How Do Organizations as Open Systems Interact with Their External Environments?
- Figure 2.4: How Do Organizations Operate as Complex Networks of Subsystems?

Thematic Boxes and More

- Management Live: Learning Style and *Mr. Holland's Opus*
- Find Inspiration: —Life is Good Means Business
- Role Models: Oprah Winfrey Multitasks to Make a Difference in Others' Lives
- Table 2.1: Characteristics of an Ideal Bureaucracy
- Ethics Check: Cyberslackers Find Company Time Great for Internet Surfing
- Facts to Consider: Generations Differ When Rating Their Bosses
- Manager's Library: *Outliers* by Malcolm Gladwell
- Explore Yourself: Learning Style
- Tips to Remember: Scientific Management Lessons for Today's Managers

Applications

TestPrep 2 Multiple-Choice Questions

- Skill Building Portfolio
 - Self-Assessment: Managerial Assumptions
 - Class Exercise: Evidence-Based Management Quiz

- Team Project: Management in Popular Culture
- Case Snapshot: Zara International – Fast Fashion's Style Maker
- Sidebar: Uniqlo Change-Driven Manager Crafts Uniqlo's Success
- Hot Topic: Good Idea or Not? Raising Expectations and Getting Better Feedback

Chapter Outline

Takeaway Question 2.1: What are the Lessons of the Classical Management Approaches?

Taylor's scientific management sought efficiency in job performance

- ✓ Major branches in the classical approaches to management are illustrated
- 1911 book by Frederick Taylor *The Principles of Scientific Management*
 - Identify basic steps and motions of jobs and determine the most efficient ways of doing them
 - Four principles of scientific management:
 - Develop a science for each job
 - Hire workers with the right abilities
 - Train and motivate workers
 - Support workers by planning and assisting their work according to science
 - Still in use today (example is UPS calibrated productivity standards).
- See “**Tips to Remember**” Scientific Lessons for Today's Managers
 - Make results-based compensation a performance incentive.
 - Carefully design jobs with efficient work methods.
 - Train workers to perform jobs to the best of their abilities
 - Train supervisors to support workers to best perform their jobs.

Weber's bureaucratic organization is supposed to be efficient and fair

Late-19th century German intellectual insights have made a significant impact on management and sociology of organizations

- Bureaucracy type of organization could be highly efficient and very fair
- Relies on logic, order, and legitimate authority
- Government agencies or large colleges may be examples

➤ **Table 2.1** lists characteristics of an ideal bureaucracy

- **Clear Division of Labor** Jobs are well defined, and workers become highly skilled at performing them.
- **Clear Hierarchy of Authority** and responsibility are well defined, and each position reports to a higher-level one.
- **Formal Rules and Procedures** Written guidelines describe expected behavior and decisions in jobs; written files are kept for the historical record.
- **Impersonality** Rules and procedures are impartially and uniformly applied; no one gets preferential treatment.

➤ **Careers Based on Merit** Workers are selected and promoted on ability and performance; managers are career employees of the organization.

DISCUSSION TOPIC

Modern management theory does not consider bureaucracy to be appropriate or inappropriate for all situations; instead, the bureaucratic structure is recommended for simple and stable environments, while more flexible structures are suggested for dynamic and complex environments. Ask students to explain why a bureaucratic organization would be an inappropriate structure for organizations operating in very dynamic and complex environments.

- **Facts to Consider: Generations Differ When Rating Their Bosses**

Would it surprise you that Millennials (born 1982–1996) have somewhat different views of their bosses than their Generation X and Baby Boomer co-workers? Check out these data from a Kenexa survey that asked 11,000 respondents to rate their managers' performance.

- Overall performance positive—Boomers 55%, Gen Xers 59%, Millennials 68%
-
- People management positive—Boomers 50%, Gen Xers 53%, Millennials 62%
- Work management positive—Boomers 52%, Gen Xers 55%, Millennials 63%
- Keeping commitments positive—Boomers 59%, Gen Xers 60%, Millennials 65%
- Outstanding leader—Boomers 39%, Gen Xers 43%, Millennials 51%

- **Fayol's Administrative principles describe managerial duties and practices**

- ✓ Henri Fayol published *Administration Industrielle et Générale*, outlining his views on proper management of organizations.
- ✓ Fayol's five —rules or —duties closely resemble the four functions used in management today: Foresight, Organization, Command, Coordination and Control.
- ✓ **Scalar chain principle:** the chain of command and communication is clear and unbroken from the bottom (line workers) to the top (top managers) of the organization.
- ✓ **Unity of command principle:** workers should only have one boss.

Ethics Check: Cyberslackers Find Company Time Great for Internet Surfing

Lost productivity due to cyberslacking is a real problem. Does revoking personal internet use sound realistic? Most companies are aware that employees will send a few personal emails and partake in some online shopping. Questions for students: what solutions do you propose for —cyberslackers who abuse the internet at work for personal usage? Would you consider working for a company who openly monitored employee internet usage, allowing limiting personal internet use to breaks to lunch hours, or did not allow such usage at work (including smart phones)?

DISCUSSION TOPIC

One way to introduce this chapter is to ask students, —Why do we bother to study management history? Students are quick to point out that we can learn from the experiences of others, and can capitalize on their successes and avoid their mistakes. After all, those who are —ignorant of history are doomed to repeat it.

2.1 Questions for discussion suggested answers

- 1) How did Taylor and Weber differ in the approaches they took to improving the performance of organizations?

Taylor focused on individual tasks and efficiency, assigning very narrow and repetitive jobs for speed. Weber, meanwhile, focused more on the overall organizational approach, rewards and rules.

- 2) Should Weber's concept of the bureaucratic organization be scrapped, or does it still have potential value today?

Weber's concepts still have value but perhaps not in isolation as a sole management philosophy. Every one of his tenets is used today by most companies, with the exception of such a clear division of labor-as companies have learned that flexibility and job enrichment are more satisfying and can improve performance.

- 3) What are the risks of accepting the —lessons of experience offered by successful executives such as Fayol?

The risk is that executives may have a narrow or short-sighted view that is out of touch with employee's behaviors and motivations.

Takeaway Question 2.2: What Are the Contributions of the Behavioral Management Approaches?

During the 1920s, the contributions of behavioral management approaches focused attention on the human side of organizations as communities of cooperative action and —employee ownership. Self-actualizing and social, Maslow's described a hierarchy of human needs, relevant within the organization. McGregor's Theory X and Theory Y created managerial assumptions about workers and their level of motivation. Argyris's ideas simply suggested that workers treated like adults will be happy and more productive.

- See **Figure 2.1: Who Are the Major Contributors to the Behavioral or Human Resource Approaches to Management Thinking?**
- **Find Inspiration: "Life is Good" Means Business**
Life is Good began with two brothers with good instincts, creativity, and positive views on life. As they grew what started as a t-shirt company, they learned valuable business and management lessons to keep getting better.
- **✓ Follett viewed organizations as communities of cooperative action**
Mary Parker Follett believed that a groups or a sense of community were important aspects of organizations.
 - Managers should foster cooperation with workers without domination
 - Follett suggested that employee ownership would create feelings of collective responsibility
 - Emphasis was placed on making profits while considering the public good, a predecessor of corporate social responsibility.
- **✓ The Hawthorne studies focused attention on the human side of organizations**
Elton Mayo of Harvard University commenced a study in 1924 at the Western Electric Company to determine how economic incentives and physical conditions of the workplace affected the output of workers
 - No direct relationship was found
 - Instead, workers responded to increased attention by their managers
 - **Hawthorne effect** – the tendency to live up to expectations; a person's performance will be affected by the way they are treated by their managers
 - Groups can have a strong negative, as well as positive, influence on the behavior of their members

DISCUSSION TOPIC

To the Hawthorne researchers' surprise, the workers in the Bank Wiring Room established an informal group norm regarding the quantity of output that was below the standard set by management. Output was restricted despite a group incentive plan that rewarded each worker on the basis of the total output of the group. Group members enforced this output restriction norm by using disciplinary devices such as sarcasm, ridicule, ostracizing co-workers, and —binging.¶

For fun, ask the students if they know what —binging¶ means; chances are they won't. Then find a volunteer for a demonstration. Pretend that you are going to —bing¶ the student by punching him or her in the arm but stop short before making contact. This amuses the class while demonstrating the lengths that groups will go to in enforcing norms. Wrap up the demonstration by noting the contribution of the Hawthorne Studies in revealing these subtle group processes.

● **Maslow described a hierarchy of human needs with self-actualization at the top**

- ✓ Human need is a physical or psychological deficiency that a person feels compelled to satisfy
- ✓ Maslow described five levels of human needs that affect behavior (see Figure 2.2)
 - Lower-level needs: physiological, safety, and social
 - Higher order needs: esteem and self-actualization
- ✓ **Progression principle** - a need at any level becomes activated only after the next-lower-level need is satisfied
- ✓ **Deficit principle** – a satisfied need doesn't motivate behavior; people act to satisfy needs for which a satisfaction—deficit¶ exists
- ✓ Only at the highest level, **self actualization**, do both the deficit and progression principles cease to exist

● **Mc Gregor believed managerial assumptions create self-fulfilling prophecies**

- ✓ Douglas McGregor wrote the classic book *The Human Side of Enterprise*
- ✓ **Theory X** – set of negative assumptions about workers; they dislike work, lack ambition, resist change, and prefer to follow rather than lead
- ✓ **Theory Y** – set of positive assumptions about workers; they like work, are capable of self direction and control, responsible and creative
- ✓ Theory X managers likely to be —command and controll¶ managers
- ✓ Theory Y managers likely to be —participative¶ managers
- ✓ **Self fulfilling prophecy** –workers respond to the way they are treated

DISCUSSION TOPIC

Once you have presented the assumptions held by Theory X and Theory Y managers, ask students to think about supervisors they worked for and to indicate if the supervisors seemed to make Theory X or Theory Y assumptions about their subordinates. Then ask: —How did these supervisors treat their employees?¶ —Do you consider them to be good or bad managers?¶

● **Explore Yourself: Learning Style**

- ✓ Each of us has a preferred learning style, a set of ways through which we like to learn by receiving, processing, and recalling new information.
- ✓ Get to know yourself better by taking the self-assessment on Managerial Assumptions and completing the other activities in the Exploring Management Skill-Building Portfolio.

- **Argyris suggests that workers treated as adults will be more productive**

- ✓ Chris Argyris wrote the book *Personality and Organization*
- ✓ Many organizations treat workers like children, which is counterproductive
- ✓ Networks create the opportunity through which many agenda items can be fulfilled

Most managers maintain extensive networks not only with their own organization, but also with customers, suppliers, and community representatives

2.2 Questions for discussion suggested answers

1. How did insights from the Hawthorne studies redirect thinking from the classical management approaches and toward something quite different?

Hawthorne's work shifted the focus from a scientific perspective to a more humanistic view. Employees were no longer viewed simply as —machines or a part of the assembly line, but as humans affected by motivation, reward systems, and attention.

2. If Maslow's hierarchy of needs theory is correct, how can a manager use it to become more effective?

An effective manager needs to understand that each employee has unique needs and that one blanket approach will not suffice for all employees. Knowing each employee's needs enables managers to tailor their development, rewards, and management to each person for higher performance.

3. Where and how do McGregor's notions of Theory X and Theory Y overlap with Argyris's ideas regarding adult personalities?

Fundamentally, Argyris' theory says to treat people like adults-with respect, trust and genuine caring. This is also what Theory Y in McGregor's theory effectively would suggest.

Takeaway Question 2.3: What Are the Foundations of Modern Management Thinking?

- **Managers use quantitative analysis and tools to solve complex problems**

- ✓ **Analytics** is the analysis of data to solve problems and make sound decisions
- ✓ **Management science** and operations research are used interchangeably to describe mathematical techniques used for management problem solving and planning.
- ✓ **Gantt charts** illustrate the interrelationships between complex tasks on a large project such as developing a shopping center or new building on a college campus. The margin feature on page 46 illustrates a Gantt chart for a building project such as a home.
- ✓ **Operations management** is the study of how to improve operations to deliver goods and services with the most efficient and effective use of resources.

- **Organizations are open systems that interact with their environments**

- ✓ **Open systems** obtain resources from the external environment; perform work activities to transform resources into goods or services for the external environment (Figure 2.3).
- ✓ **Customer-driven organizations** focus goals and energy on satisfying needs of customers and clients.
- ✓ **Subsystems** or smaller components include activities that individually and collectively support the work of the larger system. **Figure 2.4** illustrates the relationship.

- **Figure 2.3 How Do Organizations as Open Systems Interact with Their External Environments?**

As open systems, organizations continually interact with their external environments to obtain resource inputs, transform those inputs through work activities into goods and services, and deliver finished products to their customers. Feedback from customers indicates how well they are doing.

- **Figure 2.4 How Do Organizations Operate as Complex Networks of Subsystems?**

Externally, organizations interact with suppliers and customers in their environments. Internally, many different subsystems must interact and work well together so that high-quality inputs are transformed into products satisfying customers' needs. Common subsystems of a business include purchasing, information technology, operations management, marketing and sales, distribution, human resources, and accounting and finance.

- **Contingency thinking recognizes there is no one best way to manage**

- **Contingency thinking** - belief that the way one manages depends on organizational complexities and demands of situations

- **Role Models: Oprah Winfrey Multitasks to Make a Difference in Others' Lives**

Self actualization needs include using one's abilities to their fullest and most creative extent. Oprah has never taken her fame for granted, and it is through her fame that she has been able to satisfy the importance she places upon —the principle of giving. The beneficiaries of Oprah's benevolence are causes related to education, women and children. Through her generosity, Oprah Winfrey, cable network owner, former talk show host, philanthropist, writer, actress and media mogul, has profoundly touched many lives. Questions for discussion: has overcoming her own disadvantaged youth been an impetus for becoming a benefactor for others? What specific needs would you say Oprah has satisfied through her work? If you study Maslow's hierarchy of needs with self-actualization at the top, how would you describe the way Oprah has satisfied her higher-order needs?

- **Quality management focuses attention on continuous improvement**

- **W. Edwards Deming** assisted Japanese industry in the 1950s with quality control techniques that included: tally defects, analyze and trace them to the source, make corrections and keep a record of what happened afterward, using statistics.
- **Total Quality Management or TQM** grew out of Deming's work. TQM links strategic objectives and applies them to all aspects of an organization's activities.
- **Continuous Improvement** is the goal of always looking for new ways to improve performance.

- **Manager's Library: Outliers: The Story of Success by Malcolm Gladwell**

Author Malcolm Gladwell's books (*The Tipping Point*, *Blink*, *Outliers*) all provide interesting reading and provocative thinking that are very applicable to the way we manage people and resources. This Manager's Library feature introduces concepts from *Outliers* that try to explain factors that lead some to greatness such as IQ, practice, positive attitude,

assertiveness and social savvy. Gladwell concludes that success is something that most of us can achieve under the right circumstances. Reflect and React discussion

● **Evidence-based management seeks hard facts about what really works**

✓ **Evidence-based management** is the process of using data from a large number of organizations to determine facts about effective management practices that can be validated by research.

Decision makers are encouraged to challenge conventional wisdom regarding —what works‖ (example: merit pay encourages better performance) and encourage others to do the same. Decisions should be made with clear evidence that the solution or practice

✓ will achieve the desired result.

High-performance organization achieves excellence in a work environment that provides a high "quality of work life."

✓ **Evidence-based management** makes good decisions by examining what works and making sure data used is relevant and sound.

2.3 Questions for discussion suggested answers

1. Can you use the concepts of open system and subsystem to describe the operations of an organization in your community?

Municipal governments and colleges are often organized and also function as Open Systems and Subsystems. For example, the zoning department and tax assessment departments are separate departments (or divisions in larger cities) yet both are somewhat related to property matters as the larger —system‖ and both are subsystems of the entire city structure. Colleges, similarly, have departments such as Financial Aid, Cashier's Office, and Registrar, all which have some role in handling Finances in most colleges. In that case, each is a —subsystem‖ while Finance would be a —system.‖ The Department of Business or English would be another example of separate —subsystems‖ within the educational/teaching —system‖ of the college or university.

2. In addition to the choice of organization structures, in what other areas of management decision making do you think contingency thinking plays a role?

An effective manager should have a contingency plan for such areas as weather-related or crisis-related matters such as plant closings to ensure timely resumption (and security and access for such areas as Information Systems) continuity of operations with minor or no interruptions of customer service.

Tornado drills and/or fire drills are routine drills performed in —normal‖ times but are also examples of necessary and important employee safety contingency plans. Finally, having a sound risk management and insurance program is an integral part of any company's management today.

3. Does evidence-based management allow for managers to learn from their own experiences as well as the experiences of others?

Managers who use their own experience need to make sure their perspective on the previous experience is accurate before using it to make decisions regarding future events. For example, "fundamental attribution error" is the tendency to over emphasize internal controllable factors and under emphasize external and uncontrollable factors when reviewing the mistakes of others, yet doing just the opposite when reviewing our own mistakes. Good two-way communication with colleagues and others would help make sure the perspective is accurate.

Teaching Notes:

*In this section, ideas, exercises, and assignments are provided to assist you in integrating the concepts in Exploring Management 4e for your students, especially the **special features** of the text.*

Management Live: Learning Style and Mr. Holland's Opus

The movie, *Mr. Holland's Opus*, is about a music teacher (played by Richard Dreyfus), who learns the unique lesson of adapting the way he teaches music to the unique learning styles of his diverse students. Each student has a preferred learning style. The lessons of the movie make good examples of several concepts in chapter 2 including contingency thinking and learning style as students review the Explore Yourself feature and take the Managerial Assumptions self-assessment in the Skill-Building Portfolio. Ask students how in touch they are with their learning style.

Facts to Consider: Generations Differ When Rating Their Bosses

Statistics on how Baby Boomers, GenX and Millennials rate their managers seem to indicate the older generations don't rate the performance of their managers as highly as younger workers. Thought questions probe possible reasons that younger workers seem to view their managers more positively. This makes a good illustration for understanding contingency management concepts in the chapter.

Role Models: Oprah Winfrey Multitasks to Make a Difference in Others' Lives

Maslow's hierarchy of human needs suggests the importance of self-actualization and the potential for people to satisfy important needs through their work. Self actualization needs include using one's abilities to their fullest and most creative extent. Oprah has never taken her fame for granted, and it is through her fame that she has been able to satisfy the importance she places upon —the principle of giving.¶ The beneficiaries of Oprah's benevolence are causes related to education, women and children. Through her generosity, Oprah Winfrey, cable network owner, former talk show host, philanthropist, writer, actress and media mogul, has profoundly touched many lives.

Questions for class discussion (or an assignment):

- Has overcoming her own disadvantaged youth been an impetus for becoming a benefactor for others? What specific needs would you say Oprah has satisfied through her work? If you study Maslow's hierarchy of needs with self-actualization at the top, how would you describe the way Oprah has satisfied her higher-order needs?

Find Inspiration: "Life is Good" Means Business

Life is Good began with two brothers who possessed good instincts, creativity, and positive views on life. As they grew what began as a t-shirt company, they learned valuable business and management lessons as they progressed.

Question: Are you a student of history? Do you use past experiences to improve the future?

Manager's Library: *Outliers* by Malcolm Gladwell

Author Malcolm Gladwell's books (*The Tipping Point*, *Blink*, *Outliers*) all provide interesting reading and provocative thinking that are very applicable to the way we manage people and resources. This Manager's Library feature introduces concepts from *Outliers* that try to explain factors that lead some to greatness such as IQ, practice, positive attitude, assertiveness and social savvy. Gladwell concludes that success is something that most of us can achieve under the right circumstances. Reflect and React discussion questions probe students' thoughts on their views of success in life and education

Ethics Check: Cyberslackers Find Company Time Great for Internet Surfing

Lost productivity due to cyberslacking is a real problem. Does revoking personal internet use sound realistic? Most companies are aware that employees will send a few personal emails and partake in some online shopping.

Questions for class discussion (or an assignment):

What solution do you propose for —cyberslackers— who abuse the internet at work for personal usage? Would you consider working for a company who openly monitored employee internet usage, allowed limiting personal internet use to breaks or lunch hours, or did not allow such usage at work (including Smart Phones)? If you managed a company, what solutions would you put in place to eliminate cyberslacking? If you knew your personal emails were accessible for all to see, would this change your behavior?

Explore Yourself: Learning Styles

Learning style goes beyond how we prefer to learn, receive, process and recall new information, although students will explore their personal preferences as they complete the Managerial Assumptions in the Skill-Building Portfolio as suggested in the Explore Yourself feature. As students determine and reveal their preferences, an interesting class discussion on how this influences the results of their management style, contingency management and which of the management philosophies in chapter two they most closely resemble.

The assessment tool is intended to help students reflect on their own management style or current orientation. Ask students to maintain their scores and reflections throughout the course and write a summary of the areas they want to strengthen, or change, as they develop as managers or employees. This may be a comprehensive special project near the end of the quarter/semester.

Hot Topic: Good Idea or Not? Raising Expectations and Getting Better Feedback

The feature poses the following question: Does a glass of wine taste better if you have never heard of the vintage or if you have previously read a positive review of it? You guessed right if you said the wine tastes better after reading a positive review. This traces to issues of perception and expectations. We end up perceiving things as we expect them to be. Behavioral psychologist Dan Ariely cautions that it's okay to overhype, but advises not to go overboard when communicating high expectations to get positive feedback.

Career Situation: What Would You Do?

- It's summer job time and you've found something that just might work—handling customer service inquiries at a local Internet provider. The regular full-time employees are paid by the hour. Summer hires like you fill in when they go on vacation. You will be paid by the call, \$0.75 for each customer that you handle. How will this pay plan affect your behavior as a customer service representative? Is this pay plan a good choice for the Internet provider to use for its summer hires? How will things go when you are working side-by-side with full timers?
- As a manager in a small local firm, you've been told that because of an uncertain economy workers can't be given any pay raises this year. You have some really hard-working and high-performing people on your team, and you were counting on giving them solid raises. What can you do? Can insights from Maslow's hierarchy of needs help you solve this dilemma? Is it possible to find ways other than pay to reward team members for high performance and keep them motivated?
- You've just come up with a great idea for improving productivity and morale in a shop that silk-screens T-shirts for college bookstores. Your idea is to allow 40+ employees to work for 10-hour days if they want instead of the normal five-day/40-hour week. With the added time off, you reason, they'll be happier and more productive while working. But your boss isn't so sure. —Show me some evidence, she says. Can you design a research study that can be done in the shop to show whether or not your proposal is a good one?

Skill Building Portfolio:

Terms to Define:

Analytics	Evidence-based management
Bureaucracy	Hawthorne effect
Contingency thinking	Management science
Continuous improvement	Motion study
Deficit principle	Need

Open system

Self-fulfilling prophecies

Operations management

Subsystem

Operations research

Theory X

Progression principle

Theory Y

Scalar chain principle

Total quality management

Scientific management

Unity of command principle

TestPrep 2**Multiple-Choice Questions**

1. A management consultant who advises managers to carefully study jobs, train workers to do them with efficient motions, and tie pay to job performance is using ideas from _____.
(a) **scientific management** (b) contingency thinking
(c) Henri Fayol (d) Theory Y
2. The Hawthorne studies were important in management history because they raised awareness about the influence of _____ on productivity.
(a) organization structures (b) **human factors**
(c) physical work conditions (d) pay and rewards
3. If Douglas McGregor heard an instructor complaining that her students were lazy and irresponsible, he would say these assumptions _____.
(a) isolated scientific management ideas
(b) focused too much on needs (c) **would create a negative self-fulfilling prophecy**
(d) showed contingency thinking
4. If your local bank or credit union is a complex system, then the loan-processing department of the bank would be considered a _____.
(a) **subsystem** (b) closed system
(c) learning organization (d) bureaucracy
5. When a manager puts Dante in a customer relations job because he has strong social needs and gives Sherrill lots of daily praise because she has strong ego needs, he is displaying _____.
(a) systems thinking
(b) Theory X
(c) **contingency thinking**
(d) administrative principles
6. Which of the following is one of the characteristics of Weber's ideal bureaucracy? (a) few rules and procedures
(b) **impersonality**
(c) promotion by privilege not by merit
(d) ambiguous hierarchy of authority
7. Which principle states that a person should only receive orders from one boss in an organization?
(a) scalar (b) contingency
(c) Hawthorne (d) **unity of command**
8. One of the conclusions from the Hawthorne studies was that _____. (a) motion studies could improve performance _____

(b) groups can sometimes restrict the productivity of their members

- (c) people respond well to monetary incentives
(d) supervisors should avoid close relations with their subordinates
9. If an organization was performing poorly, what would Henri Fayol most likely advise as a way to improve things?
(a) **teach managers to better plan, organize, lead, and control** (b) give workers better technology (c) promote only the best workers to management (d) find ways to improve total quality management
10. When a worker is a responsible parent, makes car payments, and is active in local organizations, how might Argyris explain her poor work performance?
(a) **She isn't treated as an adult at work.**
(b) Managers are using Theory Y assumptions.
(c) Organizational subsystems are inefficient.
(d) She doesn't have the right work skills.
11. _____ management assumes people are complex, with widely varying needs.
(a) Classical (b) Neoclassical
(c) **Behavioral** (d) Modern
12. The big interest today in _____ refers to the management practice of using mathematics and computing power to examine —big data for insights on business.
(a) continuous improvement
(b) Theory X
(c) **analytics**
(d) total quality management
13. The highest level in Maslow's hierarchy is _____.
(a) safety (b) esteem
(c) **self-actualization** (d) physiological
14. If an organization is considered an open system, work activities that turn resources into outputs are part of the _____ process.
(a) input (b) **transformation**
(c) output (d) feedback
15. When managers make decisions based on solid facts and information, this is known as _____.
(a) continuous improvement
(b) **evidence-based management**
(c) Theory Y
(d) Theory X

Short-Response Questions:

16. Give an example of how principles of scientific management can apply in organizations today.

You can see scientific management principles operating everywhere, from UPS delivery, to fast-food restaurants, to order-fulfillment centers. In each case the workers are trained to perform highly specified job tasks that are carefully engineered to be the most efficient. Their supervisors try to keep the process and workers well supported. In some cases the workers may be paid on the basis of how much work they accomplish in a time period, such as a day or week. The basic principles are to study the job, identify the most efficient job tasks and train the workers, and then support and reward the workers for doing them well.

17. How do the deficit and progression principles operate in Maslow's hierarchy?

According to the deficit principle, a satisfied need is not a motivator of behavior. The social need, for example, will motivate only if it is deprived or in deficit. According to the progression principle, people move step by step up Maslow's hierarchy as they strive to satisfy their needs. For example, esteem need becomes activated only after the social need is satisfied. Maslow also suggests, however, that the progression principle stops operating at the level of self-actualization; the more this need is satisfied, the stronger it gets.

18. Compare the Hawthorne effect with McGregor's notion of self-fulfilling prophecies.

The Hawthorne effect occurs when people singled out for special attention tend to perform as expected. An example would be giving a student a lot of personal attention in class with the result that he or she ends up studying harder and performing better. This is really the same thing as McGregor's notion of the self-fulfilling prophesy with the exception that he identified how it works to both the positive and the negative. When managers, for example, have positive assumptions about people, they tend to treat them well and the people respond in ways that reinforce the original positive thinking. This is a form of the Hawthorne effect. McGregor also pointed out that negative self-fulfilling prophecies result when managers hold negative assumptions about people and behave accordingly.

19. Explain by example several ways a manager might use contingency thinking in the management process.

Contingency thinking takes an —if-then approach to situations. It seeks to modify or adapt management approaches to fit the needs of each situation. An example would be to give more customer contact responsibility to workers who want to satisfy social needs at work, while giving more supervisory responsibilities to those who want to satisfy their esteem or ego needs.

Integration and Application Question

20. Enrique Temoltzin is the new manager of a college bookstore. He wants to do a good job and decides to operate the store on Weber's concept of bureaucracy.

Question: Is bureaucracy the best approach here? What are its potential advantages and disadvantages? How could Enrique use contingency thinking in this situation?

A bureaucracy operates with a strict hierarchy of authority, promotion based on competency and performance, formal rules and procedures, and written documentation. Enrique can do all of these things in his store. However, he must be careful to meet the needs of the workers and not to make the mistake identified by Argyris—failing to treat them as mature adults. While remaining well organized, the

store manager has room to help workers meet higher order esteem and self-fulfillment needs, as well as to exercise autonomy under Theory Y assumptions. Enrique must also be alert to the dysfunctions of bureaucracy that appear when changes are needed or when unique problems are posed or when customers want to be treated personally. The demands of these situations are difficult for traditional bureaucracies to handle, due to the fact that they are set up to handle routine work efficiently and impersonally, with an emphasis on rules, procedures, and authority.

Self-Assessment 2: Managerial Assumptions

The assessment suggested is **Managerial Assumptions** in the Skill-Building Portfolio. Students may be required to complete it prior to class so their results can be discussed as an introduction to chapter 2, or as a short break in your class presentation. Interpretation is in the Skill-Building Portfolio.

Instructions

Use the space in the left margin to write “Yes” if you agree with the statement or “No” if you disagree with it. Force yourself to take a “yes” or “no” position for every statement.

1. Are good pay and a secure job enough to satisfy most workers?
2. Should a manager help and coach subordinates in their work?
3. Do most people like real responsibility in their jobs?
4. Are most people afraid to learn new things in their jobs?
5. Should managers let subordinates control the quality of their work?
6. Do most people dislike work?
7. Are most people creative?
8. Should a manager closely supervise and direct the work of subordinates?
9. Do most people tend to resist change?
10. Do most people work only as hard as they have to?
11. Should workers be allowed to set their own job goals?
12. Are most people happiest off the job?
13. Do most workers really care about the organization they work for?
14. Should a manager help subordinates advance and grow in their jobs?

Scoring

Count the number of —yes| responses to items 1, 4, 6, 8, 9, 10, 12;
write that number here as [X = _____].

Count the number of —yes| responses to items 2, 3, 5, 7, 11, 13, 14;
write that score here as [Y = _____].

Interpretation

This assessment examines your orientation toward Douglas McGregor's Theory X (your —X| score) and Theory Y (your —Y| score) assumptions. Consider how your X/Y assumptions might influence how you behave toward other people at work. What self-fulfilling prophecies are you likely to create?

Class Exercise 2: Evidence-Based Management Quiz

Instructions

1. For each of the following questions, answer T (true) if you believe the statement is backed by solid research evidence or F (false) if you do not believe it is an evidence-based statement.
 1. Intelligence is a better predictor of job performance than having a conscientious personality.
 2. Screening job candidates for values results in higher job performance than screening for intelligence.
 3. A highly intelligent person will have a hard time performing well in a low-skill job.
 4. —Integrity tests are good predictors of whether employees will steal, be absent, or take advantage of their employers in other ways.
 5. Goal setting is more likely to result in improved performance than is participation in decision making.
 6. Errors in performance appraisals can be reduced through proper training.
 7. People behave in ways that show pay is more important to them than what they indicate on surveys.
2. Share your answers with others in your assigned group. Discuss the reasons members chose the answers they did; arrive at a final answer to each question for the group as a whole.
3. Compare your results with these answers —from the evidence.
4. Engage in a class discussion of how —commonsense answers can sometimes differ from answers provided by —evidence. Ask: What are the implications of this discussion for management practice?

Team Project 2: Management in Popular Culture

You'll notice that the chapter openers in this book bring in movies and television shows from popular culture. Lots of them have situations and themes that deal with things like leadership, team dynamics, attitudes, personalities—all the major topics of this textbook. The point is: Management learning is everywhere; we just have to look for it.

Question

What management insights are available in various elements of our popular culture and reflected in our everyday living?

Instructions

- Listen to music. Pick out themes that reflect important management concepts and theories. Put them together in a multimedia report that presents your music choices and describes their messages about management and working today.
- Watch television. Look again for the management themes. In a report, describe what popular television programs have to say about management and working. Also consider TV advertisements. How do they use and present workplace themes to help communicate their messages?
- Read the comics looking for management themes. Compare and contrast management and working in two or three popular comic strips.
- Read a best-selling novel. Find examples of management and work themes in the novel. Report on what the author's characters and their experiences say about people at work.
- Create your own alternative to the above suggestions
- Share results with your class and instructor

Cases for Critical Thinking

Zara International – Fast Fashion's Style Maker

Sidebar : Uniqlo Change-Driven Manager Crafts Uniqlo's Success

The case profiles Zara – a story of great supply chain prowess. In this world of —hot today, gauche tomorrow, no company does fast fashion better than Zara. Shoppers in 79 countries, and counting, are fans of Zara's knack for bringing the latest styles from sketchbook to clothing rack at lightning speed and reasonable prices. Low prices and a rapid response to fashion trends give Zara a top ranking among global clothing vendors. Now that Zara has shown the world how to do —fast fashion so well, won't others find it easy to copy their success story?

Case discussion questions and suggested answers:

1. DISCUSSION

In what ways are elements of the behavioral or human resource approaches to management evident at Zara International? Provide specific examples.

Classical management finds the best way to produce a product or service so both workers and employers benefit from increased efficiencies. Zara seems to have embraced the efficiencies found in Weber's bureaucratic form of organizations. The rapid response to fashion trends require efficient design, production, distribution and inventory management. All departments must clearly know their purpose with a clear division of labor, levels of authority are clearly defined, rules and procedures facilitate the fast turnaround necessary to get fresh fashions in the store within days of design. Fayol's administrative principles are in evidence in Zara's clear foresight or plan of action, organization allows fast mobilization of resources, command is evident in the vision and leadership of its founder and Chairman, Amancio Ortega Gaona. Across its 80,000 workers, coordination requires close communication and efficient operations, and control is seen in their ambitious goals for growth.

2. DISCUSSION

One of Zara's major competencies is producing goods and services efficiently and effectively. In what ways does this competency require great strength with the quantitative management approaches, including operations management?

Operations management involves production of goods and services and how they can be improved. Zara seems to have perfected the process of spotting fashion trends and bringing them to their retail stores in record time. They accomplish this by utilizing just-in-time inventory management and production practices along with distribution centers that processes orders within 24 hours..

3. PROBLEM SOLVING

How would you describe CEO Tadashi Yanai's management style? Does he tend more toward Theory X or more toward Theory Y? Looking toward the future of the company as an expanding global player in a cutthroat industry, should Yanai expect his sons to follow a similar style to achieve success? Or, will the challenges of competition require a change in management style at the top?

Before answering the question, let’s take a look the organizational benefits of Tadashi Yanai’s current Theory Y viewpoint. Yanai is a manager who sees value in the details. He believes that managers should look at the day-to-day details and that unless they do so, they’re not truly managers. He also sees the value of a hands-on management approach with empowered, creative, enthusiastic and dedicated employees. He assumes the best of his people and doesn’t believe in delegating work to subordinates to perform administrative work. Instead, he hires dedicated, detail-oriented managers and remains in the trenches with them to see what works and what doesn’t. The positive Theory Y assumptions have indeed created a self fulfilling prophecy of responsible and creative employees willing to work, capable of self-control and self-direction. It is not unreasonable to say that because of Yanai’s Theory Y assumptions, that Uniqlo employees act with initiative, responsibility and high performance – which has clearly contributed to the company’s growth.

As a Theory X thinker, Yanai would be likely to act in more of a directive —command-and-control way, giving his managers little say over their work. Because of this type of treatment, his employees might be less motivated and empowered to make decisions. With such negative assumptions, Yanai would probably not have the time to exercise his current attention to detail and hands-on management style. If he held Theory X assumptions by expecting his employees to dislike work, lack ambition, act irresponsibly, resist change, and prefer to follow rather than lead, the company’s creativity and growth prospects might look very different. As a result, Uniqlo managers might be more passive, dependent, and reluctant to do only what they are told. In the case of Tadashi Yanai and the competitive retail landscape, it appears that a Theory Y orientation is working for Uniqlo. It is also more appropriate and consistent with human potential.

4. FURTHER RESEARCH

Zara, intent on making small batches in facilities located close to its distribution headquarters and rarely marking items down, is remarkably different than Uniqlo. Uniqlo produces garments on a steady basis year-round without —chasing every trendlet. It keeps its factory costs reined in by booking in advance. Gather the latest information about Zara and Uniqlo and discuss the differences in their supply chain management approaches, and the implications of these differences for their future success.

Supply Chain Comparison of Zara and Uniqlo:

Zara	Uniqlo
<i>Chases trends and reacts to increased demand by moving an item from factory floor to store shelves in a few weeks. Cutting edge fashion at affordable prices.</i>	<i>High quality clothing at reasonable prices with a no-fads approach. Does not chase trends. Budget friendly without feeling cheap.</i>
<i>Produces small batches in facilities close to distribution headquarters in Spain.</i>	<i>Produces high volume garments and goods on a steady basis year round. This volume translates to lower prices on raw materials and fibers.</i>
<i>Fast response global supply, production and retail network. Rarely markdowns or discounts (small batches are produced rather than large volume which can stay on store shelves).</i>	<i>Sells wardrobe essentials (underwear, for example), which provides for more stable demand.</i>
<i>Unique product design systems, order administration, production, distribution and retailing.</i>	<i>Books factory time in advance to keep costs down</i>
<i>Demand for a product dictates production and delivery. In just 15 days after a product is designed, it is delivered to stores worldwide.</i>	<i>Uniqlo has 70 partner factories in China and 70% of its product is made in China. Can adjust production to reflect sales trends.</i>

<i>Moves an item from factory floor to store shelves in a few weeks</i>	<i>Specialty store retailer of private label apparel incorporates the entire clothes-making process from procurement of materials, product planning, development and manufacture through distribution and retail to inventory management.</i>
	<i>Predictive planning for manufacturing, so there are rarely markdowns.</i>

The implications for their future success remain to be seen. In a recession, the Uniqlo model of selling basics may bode well. On the other hand, the —fast fashion, trend chasing, low prices found at Zara remains a differentiator. The speed and agility of then Zara supply chain further strengthens the company's prospects for growth.

Additional Exercises for Chapter 2:

Bureaucracy Exercise

Chapter 2 describes Max Weber's characteristics of an ideal bureaucracy. Break the class into teams of three or four and ask each group to collectively discuss these five characteristics.

Ask them to list organizations that, in their view, have many (or all) of these characteristics.

What organizations, if any, seem to be best suited for such a style/type of organization?

Students then should discuss the benefits and disadvantages of the organizations they have discussed. Some examples would be state or federal governmental agencies (license tags, passports, etc.), state colleges, large banks, the military etc.

Allow teams about 45 minutes for this exercise. The teams will then report to the class the summaries of their conclusions.