

***Fundamentals of Management 10th edition Griffin  
Solutions Manual***

SKU: 9780357517345-SOLUTIONS

# Instructor Manual

Griffin, Fundamentals of Management, 10e, ©2022 ISBN 9780357517345; Chapter #1:  
Understanding the Manager's Job

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## Purpose and Perspective of the Chapter

The purpose of this chapter is to provide an overview of management and the manager's job. After a brief introduction, the chapter explains the basic concepts of management and managers, discusses the management process, and summarizes the origins of contemporary management thought. The chapter concludes by introducing critical challenges and issues that managers are facing now and will continue to encounter in the future.

## Cengage Supplements

The following product-level supplements provide additional information that may help you in preparing your course. They are available in the Instructor Resource Center.

- PowerPoint Slides for in-class use (these feature a variety of options for class interaction)
- Student PowerPoint Slides- This version of the slides has any instructor-facing notes and activities removed. Students using MindTap can find these files in the "Additional Resources" folder within the MindTap Learning Path and we've also posted the file to the Instructor Companion Site.
- Test Bank:
- Instructor's Manual (which you're reading now!)

## Chapter Objectives

The following objectives are addressed in this chapter:

- 1-01. Describe management and the kinds of managers found in organizations.
- 1-02. Explain the four basic management functions.
- 1-03. Describe the fundamental management skills and the concept of management as both science and art.
- 1-04. Explain the importance of history and theory to managers.
- 1-05. Explain the evolution of management thought through the classical, behavioral, and quantitative perspectives.
- 1-06. Discuss the key contemporary management perspectives represented by the systems and contingency perspectives.
- 1-07. Identify the major challenges and opportunities faced by managers today.

## Complete List of Chapter Activities and Assessments

For additional guidance on online or hybrid facilitation of these activities, refer to the Teaching Online Guide for Principles of Management which can be found \_\_\_\_."

Also, please note that the **chapter learning objectives** are identified within both the instructor and student versions of the **PowerPoint** slides so that you and your students are always aligned on the ultimate learning goals throughout the course.

| Chapter Objective | Activity/Assessment                                                            | Duration      |
|-------------------|--------------------------------------------------------------------------------|---------------|
| All objectives    | MindTap: Part 01: Why Does Management Matter?                                  | 10 minutes    |
| All Objectives    | MindTap: Self-Assessment: How Do I Rate As a Manager                           | <5 minutes    |
| All Objectives    | MindTap: Read: Chapter 01: Understanding The Manager's Job                     | 60 minutes    |
| All Objectives    | MindTap: Learn It: Chapter 01: Understanding The Manager's Job                 | 30-45 minutes |
| All Objectives    | MindTap: Apply It: Assignment: Chapter 01: Understanding The Manager's Job     | 25 minutes    |
| All Objectives    | MindTap: Apply It: Case Activity: Chapter 01: Understanding The Manager's Job  | 20 minutes    |
| All Objectives    | MindTap: Study It: Practice Test: Chapter 01: Understanding The Manager's Job  | Time Varies   |
| All Objectives    | MindTap: Study It: Flashcards: Chapter 01: Understanding The Manager's Job     | Time Varies   |
| All Objectives    | MindTap: Study It: Lecture Slides: Chapter 01: Understanding The Manager's Job | Time Varies   |
| Objective 1.2     | MindTap: Concept Clips: Four Functions                                         | 2:23 minutes  |
| Objective 1.3     | MindTap: Concept Clips: Skills Used at Different Management Levels             | 2:03 minutes  |
| Objective 1.1     | MindTap: Concept Clips: Managerial Roles                                       | 2:28 minutes  |
| Objective 1.5     | MindTap: On the Job Video:                                                     | 6:47 minutes  |

|                |                                                                               |             |
|----------------|-------------------------------------------------------------------------------|-------------|
|                | Barcelona: The Evolution of Management Thinking                               |             |
| All Objectives | eBook/Text: Discussion Questions: Questions for Review, Analysis, Application | Time Varies |
| All Objectives | eBook/Text: Experiential Exercise: Johari Window                              | Time Varies |
| All Objectives | eBook/Text: Building Effective Time Management Skills                         | Time Varies |
| All Objectives | eBook/Text: Skill-Building Personal Assessment: How do I Rate as a Manager    | Time Varies |
| All Objectives | eBook/Text: Management at Work: Some Keys to Making a Steinway                | Time Varies |
| All Objectives | eBook/Text: You Make The Call: Reed Hastings Doesn't Like Standing Still      | Time Varies |
| Objective 1.2  | PowerPoint: Discussion Activity 1                                             | 5 minutes   |
| Objective 1.3  | PowerPoint: Polling Activity 1                                                | 5 minutes   |
| Objective 1.3  | PowerPoint: Knowledge Activity 1                                              | 5 minutes   |
| Objective 1.5  | PowerPoint: Discussion Activity 2                                             | 5 minutes   |
| Objective 1.5  | PowerPoint: Discussion Activity 3                                             | 5 minutes   |
| Objective 1.6  | PowerPoint: Group Activity 1                                                  | 5 minutes   |
| Objective 1.7  | PowerPoint: Discussion Activity 4                                             | 5 minutes   |

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## Key Terms

**Administrative management:** Focuses on managing the total organization.

**Behavioral management perspective:** Emphasizes individual attitudes, behaviors, and group processes.

**Classical management perspective:** Consists of two distinct branches— scientific management and administrative management.

**Closed system:** A system that does not interact with its environment.

**Communication skills:** The manager's abilities both to effectively convey ideas and information to others and to effectively receive ideas and information from others.

**Conceptual skills:** The manager's ability to think in the abstract.

**Contingency perspective:** Suggests that appropriate managerial behavior in a given situation depends on, or is contingent on, unique elements in a given situation.

**Controlling:** Monitoring organizational progress toward goal attainment.

**Decision making:** Part of the planning process that involves selecting a course of action from a set of alternatives.

**Decision-making skills:** The manager's ability to correctly recognize and define problems and opportunities and to then select an appropriate course of action to solve problems and capitalize on opportunities.

**Diagnostic skills:** The manager's ability to visualize the most appropriate response to a situation.

**Effective:** Making the right decisions and successfully implementing them.

**Efficient:** Using resources wisely in a cost-effective way.

**Entropy:** A normal process leading to system decline.

**Human relations movement:** Proposed that workers respond primarily to the social context of the workplace, including social conditioning, group norms, and interpersonal dynamics.

**Interpersonal skills:** The ability to communicate with, understand, and motivate both individuals and groups.

**Leading:** The set of processes used to get members of the organization to work together to further the interests of the organization.

**Management:** A set of activities (including planning and decision making, organizing, leading, and controlling) directed at an organization's resources (human, financial, physical, and information) with the aim of achieving organizational goals in an efficient and effective manner.

**Management science:** Focuses specifically on the development of mathematical models.

**Manager:** Someone whose primary responsibility is to carry out the management process.

**Open system:** A system that interacts with its environment.

**Operations management:** Concerned with helping the organization produce its products or services more efficiently.

**Organization:** A group of people working together in a structured and coordinated fashion to achieve a set of goals.

**Organizational behavior:** Contemporary field focusing on behavioral perspectives on management.

**Organizing:** Determining how activities and resources are to be grouped.

**Planning:** Setting an organization's goals and deciding how best to achieve them.

**Quality management perspective:** Applies quantitative techniques to management.

**Scientific management:** Concerned with improving the performance of individual workers.

**Soldiering:** Employees deliberately working at a slow pace.

**Subsystem:** A system within a broader system.

**Synergy:** Two or more subsystems working together to produce more than the total of what they might produce working alone.

**System:** An interrelated set of elements functioning as a whole.

**Technical skills:** The skills necessary to accomplish or understand the specific kind of work done in an organization.

**Theory:** A conceptual framework for organizing knowledge and providing a blueprint for action.

**Theory X:** A pessimistic and negative view of workers, consistent with the views of scientific management.

**Theory Y:** A positive view of workers; it represents the assumptions that human relations advocates make.

**Time management skills:** The manager's ability to prioritize work, to work efficiently, and to delegate appropriately.

**Universal perspective:** An attempt to identify the one best way to do something.

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## What's New in This Chapter

The following elements are improvements in this chapter from the previous edition:

- Updated and revised MANAGEMENT IN ACTION chapter opening case featuring Reed Hastings and Netflix
- TECH WATCH boxed insert updated and revised
- LEADING THE WAY boxed insert updated and revised
- Integrated coverage of the impact of COVID-19 and resulting economic impact on businesses and the work of managers
- All data, statistics, research findings, and examples updated
- Updated photo program
- New SKILL-BUILDING PERSONAL ASSESSMENT feature added
- Updated and revised MANAGEMENT AT WORK chapter closing case about Steinway & Sons

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## Chapter Outline

*In the outline below, each element includes references (in parentheses) to related content. "CO CH.##" refers to the chapter objective; "PPT Slide #" refers to the slide number in the PowerPoint deck for this chapter (provided in the PowerPoints section of the Instructor Resource Center); and, as applicable for each discipline, accreditation or certification standards ("BL 1.3.3"). Introduce the chapter and use the Ice Breaker in the PPT if desired, and if one is provided for this chapter. Review learning objectives for Chapter . (PPT Slides 3-4).*

# MANAGEMENT IN ACTION

## Reed Hastings Creates Chaos with Netflix

The opening incident describes how Reed Hastings (and co-founder Marc Randolph) launched Netflix and made it into the industry leader in DVD rentals. The incident explains how the company continues to be at the forefront of innovation by establishing a strong position in the growing video-on-demand market and by offering its own original series and movies. The incident ends with Hastings contemplating the company's next move.

### LO 01.01 Describe management and the kinds of managers found in organizations.

#### A. An Introduction to Management (PPT Slides 5-6)

I. An **organization** is a group of people working together in a structured and coordinated fashion to achieve a set of goals. **Management** is a set of activities (including planning and decision making, organizing, leading, and controlling) directed at an organization's resources (human, financial, physical, and information) with the aim of achieving organizational goals in an efficient and effective manner. A **manager** is someone whose primary responsibility is to carry out the management process.

**Teaching Tip:** Note the similarities and differences among the kinds of resources used by profit-seeking and not-for-profit organizations. For example, both an airline and a university may buy food in bulk, but they have different revenue sources to pay for that food.

**Efficient** means using resources wisely and in a cost-effective way. **Effective** means making the right decisions and successfully implementing them.

#### II. Kinds of Managers (PPT Slides 7- 8)

- a. *Top managers* are the small group of executives who control the organization by setting its goals, overall strategy, and operating policies. Top managers also represent the organization to the external environment. Job titles for top managers include chief executive officer (CEO), president, and vice president (VP).
- b. *Middle managers* are the largest group of managers in most companies. These managers hold positions such as plant manager, operations manager, and division head. They primarily take the policies and plans designed by top managers and put them into effect. They supervise lower-level managers.
- c. *First-line managers* supervise and coordinate the activities of operating employees. They often have job titles such as supervisor, coordinator,

and office manager. The majority of their work is direct supervision of their subordinates.

### III. Managing in Different Areas of the Organization (PPT Slide 9)

- a. Marketing managers work in areas related to the marketing function of the organization. They help to find ways to get consumers and clients to buy the organization's products or services.
- b. Financial managers deal primarily with an organization's financial resources and are involved in such activities as accounting, cash management, and investments.
- c. Operations managers are concerned with creating and managing the systems that create an organization's products and services. They achieve their goals through production control, inventory control, quality control, site selection, and plant layout.
- d. Human resources managers are responsible for hiring and developing employees. They are concerned with recruiting and selecting employees, training and development, and discharging low-performing and problem employees.
- e. Administrative managers are generalists who have some basic familiarity with all functional areas of management rather than specialized training in any one area.
- f. Specialized types of managers include those who work in public relations, R&D, internal consulting, and international business.

### LO 01.02 Explain the four basic management functions.

#### A. Basic Management Functions (PPT Slides 11 – 12)

The management process, as noted earlier, involves the four basic functions of planning and decision making, organizing, leading, and controlling.

1. Planning
  - a. **Planning** means setting an organization's goals and deciding how best to achieve them.
  - b. **Decision making**, a part of the planning process, involves selecting a course of action from a set of alternatives.
2. Organizing
 

**Organizing** involves determining how activities and resources are to be grouped.
3. Leading
 

**Leading** is the set of processes used to get members of the organization to work together to further the interests of the organization.
4. Controlling

**Controlling** is monitoring the progress of the organization as it works toward its goals to ensure that it is effectively and efficiently achieving these goals.

### a. (Optional) Discussion Activity #1

*What are the four basic functions that make up the management process? How are they related to one another?*

## **LO 1-03 Describe the fundamental management skills and the concept of management as both science and art.**

### **A. Fundamental Management Skills (PPT Slides 14-15)**

#### 51. Technical Skills

**Technical skills** are necessary to accomplish or understand the specific kind of work done in an organization.

#### 62. Interpersonal Skills

**Interpersonal skills** rely on the ability to communicate with, understand, and motivate individuals and groups.

#### 73. Conceptual Skills

**Conceptual skills** include the ability to think in abstract terms and the mental capacity to understand the “big picture” or the overall workings of the organization and its environment.

#### 84. Diagnostic Skills

**Diagnostic skills** consist of the ability to recognize the symptoms of a problem and then determine an action plan to fix it.

#### 95. Communication Skills

**Communication skills** are abilities to effectively convey ideas and information to others and effectively receive ideas and information from others.

#### 106. Decision-Making Skills

**Decision-making skills** include the ability to correctly recognize and define problems and opportunities and to then select an appropriate course of action to solve problems and capitalize on opportunities.

#### 117. Time Management Skills

**Time management skills** are abilities such as prioritizing work, working efficiently, and delegating appropriately.

### a. (Optional) Polling Activity #1

*Which type of management skills do you consider to be most important?*

A. Technical

B. Conceptual

C. Communication

#### D. Decision-making

#### b. (Optional) Knowledge Check Activity #1

*How are interpersonal skills different than communication skills?*

- A. Interpersonal skills motivate employees.
- B. Interpersonal skills tell employees what to do and how to do it.
- C. Interpersonal skills clarify the goals of the organization .

### B. The Science and the Art of Management (PPT Slide 19)

1. The Science of Management  
Management is partly a science, because some aspects of management are objective and can be approached with rationality and logic.
2. The Art of Management  
Management is partly an art, because some aspects of management are subjective and are based on intuition and experience.

### LO 1.04. Explain the importance of history and theory to managers.

#### IV. The Importance of Theory and History (PPT Slides 20 – 21)

- 31. Why Theory?  
A **theory** provides a simple conceptual framework for organizing knowledge and providing a blueprint to help organizations achieve their goals.
- 42. Why History?  
Contributions from past industrialists have molded the American culture, and managers can benefit from an awareness of these contributions.

### LO 1.05. Explain the evolution of management thought through the classical, behavioral, and quantitative perspectives.

#### V. The Evolution of Management (PPT Slides 22 – 42)

- A. The Historical Context of Management (**PPT Slide 22**)  
While the practice of management can be traced back thousands of years, it was not given serious attention until the 1800s when large organizations emerged.
- B. The Classical Management Perspective (**PPT Slide 23 - 30**)

The **classical management perspective** includes two approaches: scientific management and administrative management.

### 1. Scientific Management

**Scientific management** focuses on ways to improve the performance of individual workers.

- a. Frederick W. Taylor saw workers **soldiering**, or deliberately working beneath their potential. He divided each job into parts and determined how much time each part of the job should take, thus indicating what each worker should be producing. He designed the most efficient way of doing each part of the job, and instituted a piecework pay system with incentives for workers who met or exceeded the target output level.
- b. Frank and Lillian Gilbreth, a husband-and-wife team, also helped to find more efficient ways for workers to produce output.

#### c. (Optional) Discussion Activity #2

*Do some employees really practice soldiering? Why would they do this? What are the advantages? What are the disadvantages? How can a manager work to eliminate this practice if it exists within the organization?*

### 2. Administrative Management

**Administrative management** focuses on managing the total organization.

- a. Henri Fayol was the first to identify the four management functions—planning, organizing, leading, and controlling—and he developed guidelines for managers to follow.
- b. Lyndall Urwick is best known for integrating scientific management with administrative management.
- c. Max Weber outlined the concept of bureaucracy based on a rational set of guidelines for structuring organizations in the most efficient manner. His work is the foundation of contemporary organization theory.

#### d. (Optional) Discussion Activity #3

*Briefly describe the principles of scientific management and administrative management. What assumptions do these perspectives make about workers? To what extent are these assumptions still valid today?*

### 3. The Classical Management Perspective Today

- a. Contributions of the classical management perspective are that it laid the foundation for management theory; it identified key techniques and approaches that are still relevant today; and it made management a valid subject of scientific inquiry.
- b. Limitations include that it is not well suited for complex or dynamic organizations, it provided universal procedures that are not appropriate in all settings, and it slighted the role of the individual in organizations.

### C. The Behavioral Management Perspective

The **behavioral management perspective** placed more emphasis on individual attitudes and behaviors and on group and behavioral processes. Hugo Munsterberg and Mary Parker Follett were early contributors to this perspective.

#### 1. The Hawthorne Studies

- a. The Hawthorne studies, performed by Elton Mayo, showed that when illumination was increased, productivity increased. However, productivity also increased in a control group, where the lighting did not change. The increase in productivity was attributed to the fact that the workers were having extra attention paid to them for perhaps the first time.
- b. Other studies found that employees will not work as fast as they can when being paid piecework wages. Instead, they will perform to the level informally set by the group in order to be accepted by the group. These two studies, and others, led Mayo to the conclusion that individual and social processes played major roles in shaping employee attitudes and behavior at work.

#### 2. The Human Relations Movement

The **human relations movement**, which stemmed from the Hawthorne studies, is based on the idea that a manager's concern for workers will lead to increased satisfaction and improved performance. The movement includes the need theories of motivation, such as Maslow's hierarchy of needs and McGregor's **Theory X** and **Theory Y**.

**Teaching Tip:** Use Table 1.1 to summarize the assumptions of Theory X and Theory Y.

#### 3. Contemporary Behavioral Science in Management

The emergence of organizational behavior occurred because of the too-simplistic descriptions of work behavior by the human relationists.

**Organizational behavior** takes a holistic view of behavior and addresses individual, group, and organization processes.

#### 4. The Behavioral Management Perspective Today

- a. Contributions include that it gave insights into interpersonal processes, focused managerial attention on these processes, and challenged the view of employees as tools and not resources.
- b. Limitations include that prediction is difficult due to the complexity of human behavior, managers may be reluctant to adopt some of the behavioral concepts, and contributions may not be communicated to practicing managers in an understandable form.

### D. The Quantitative Management Perspective

The **quantitative management perspective** focuses on decision making, cost-effectiveness, mathematical models, and the use of computers in organizations. The two branches of the quantitative perspective are management science and operations management.

1. Management Science

**Management science** focuses specifically on the development of mathematical models. These models help organizations to try out various activities with the use of a computer. Modeling can help managers locate the best way to do things and save money and time.

2. Operations Management

**Operations management** is an applied form of management science that helps organizations develop techniques to produce their products and services more efficiently.

3. The Quantitative Management Perspective Today

- a. Contributions include that it developed sophisticated quantitative techniques that improve decision making, and it increased understanding of complex organizational processes.
- b. Limitations are that it cannot fully explain or predict behavior, that mathematical sophistication may come at the expense of other important managerial skills, and that the models may require unrealistic or unfounded assumptions.

**LO 1.06. Discuss the key contemporary management perspectives represented by the systems and contingency perspectives.**

**VI. Contemporary Management Perspectives**

A. The Systems Perspective (**PPT Slides 43-45**)

1. A **system** is an interrelated set of elements functioning as a whole. An organization as a system is composed of four elements: inputs (material, human, financial, and informational resources), transformation processes (technological and managerial processes), outputs (products or services), and feedback (reactions from the environment).
2. **Open systems** are systems that interact with their environment. **Closed systems** do not interact with their environment.
3. **Subsystems** are systems within a broader system.
4. **Synergy** refers to units that are more successful working together than working alone.
5. **Entropy** is the process that leads to decline.

B. The Contingency Perspective (**PPT Slides 46**)

**Universal perspectives** try to identify the “one best way” to manage organizations. The **contingency perspective** argues that universal theories cannot be applied to organizations because each organization is unique.

#### a. (Optional) Group Activity #1

*Break into small groups. Select an organization and diagram its inputs, transformation processes, outputs, and feedback mechanisms.*

**LO 1.07. Identify the major challenges and opportunities faced by managers today.**

### **VII. Contemporary Management Issues and Challenges**

1. Contemporary Applied Practices (**PPT Slide 48**)  
Books that highlight the management practices of successful firms or outline conceptual or theoretical models to guide managers are having an important impact on the theory and practice of management today.
2. Contemporary Management Challenges
  - a. Globalization is a significant challenge as managers must reach out across cultural and national boundaries.
  - b. There is renewed importance placed on ethics, social responsibility, and corporate governance.
  - c. Quality also poses an important challenge, as a basis for competition, lowering costs, and increasing productivity.
  - d. The shift toward a service economy continues to be important, challenging managers who may be more familiar with manufacturing sectors.
  - e. The economic recession of 2008–2010 and slow recovery in 2011–2017 pose many challenges as well as offer some opportunities.
  - f. Managers must contend with the changing nature of the workplace, including workforce reductions and expansion.
  - g. The management of diversity is an important opportunity and challenge, especially with regard to younger generations of workers.
  - h. Organizations need more than ever to monitor the environment and change to keep pace with it.
  - i. Technological advances, especially in communications, have increased the pace of work, reduced managers’ available time to consider decisions, and increased the amount of information managers must process.

#### j. (Optional) Discussion Activity #4

*Can a manager use tools and techniques from several different perspectives at the same time? For example, can a manager use both classical and behavioral perspectives? Give an example of a time when a manager did this, and explain how it enabled him or her to be effective.*

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### Discussion Questions

You can assign these questions several ways: in a discussion forum in your LMS; as whole-class or break out discussions in person or synchronously via a virtual meeting tool like Zoom; or as a partner or group activity in class. For more best practices around the facilitation of discussion question in online courses, as well as other online teaching and learning tips, check out the Guide to Teaching Online...

## QUESTIONS FOR REVIEW

1. What are the three basic levels of management that can be identified in most organizations? How precise are the lines differentiating these levels? In which of the basic areas do managers work?

**(LO 01.01, PPT Slides 7-8)**

Answer: Top managers manage the overall organization. They create the organization's goals, overall strategy, and operating policies. Middle managers are primarily responsible for implementing the policies and plans developed by top managers and for supervising and coordinating the activities of lower-level managers. First-line managers supervise and coordinate the activities of operating employees. How well defined are the lines differentiating these levels often depends on the type of organization and its size.

Managers may work in various areas within an organization. Common areas include marketing, financial, operations, human resources, and administrative.

2. What four basic functions make up the management process? How are they related to one another? **(LO 01.02, PPT Slides 10-12)**

Answer: Planning and decision making, leading, organizing, and controlling are the four basic management functions. Each is related to and must occur simultaneously with the others. Planning and decision making are perhaps the most intertwined with the three other functions. For example, managers must plan and make decisions about how to lead, organize, and control. Another example of an important interrelationship is how managers must balance the need for control against the need for autonomy that makes leadership easier.

3. Identify several of the important skills that help managers succeed. Give an example of each. How might the importance of different skills vary by level and area within an organization? **(LO 01.03, PPT Slides 14-15)**

Answer: Managerial skills include technical, interpersonal, conceptual, diagnostic, communication, decision making, and time management. Technical skills are specialized skills related to a specific area or a specialized industry. An example is an oil and gas exploration project leader who holds an engineering degree.

Interpersonal skills are the ability to understand and motivate others. An example is a manager who knows how to give rewards that will motivate workers.

Conceptual skills consist of abstract and logical thinking that will aid the manager as an innovator and an integrator. An example is an architect who is able to see what a house will look like from just studying a blueprint.

Diagnostic skills are the ability to observe the current situation and understand the cause-and-effect relationships that are leading to success or failure. An example is a manager who recognizes that productivity is dropping in an area and is able to investigate and isolate the problem.

Communication skills are the ability to give and receive information. An example is a manager who has the skills needed to plan and run an effective business meeting.

Decision-making skills are the capacity to choose the correct course of action, based on information. An example is a manager who introduces a new product just at the time when customers are demanding that product.

Time management skills are the ability to prioritize appropriately and to use time resources effectively. An example is a manager who spends more time on critical tasks, such as training workers, and less time on routine tasks, such as reading routine reports.

In a large organization with distinct layers of management, these skills are likely to vary significantly, but may not be so in smaller organizations where these levels are not distinct.

24. Briefly describe the principles of scientific management and administrative management. What assumptions do these perspectives make about workers? To what extent are these assumptions still valid today? **(LO 01.05, PPT Slides 23 – 30)**

Answer: The principles of scientific management and administrative management are founded upon concerns about efficiency. Scientific management looks at the performance of individual workers and attempts to improve productivity through measures such as incentive pay systems, optimal task design, specialized training, and careful selection of the most productive workers. Administrative management looks at the performance of the organization as a whole and attempts to improve overall organizational efficiency by utilizing bureaucracy, effective planning, top-down coordination and control, and so on.

Both scientific management theory and administrative management theory assume that workers do not like to work, accept responsibility, or change their behavior; that

they are motivated only by money; and that they prefer to be told exactly what to do. One could argue that many of these assumptions are valid even today.

## Questions for Analysis

1. Why is a business organization considered an open system? **(LO 01.06, PPT Slide 43)**

Answer: The systems perspective is one important contemporary management perspective. An open system is one that interacts with its environment. A system is an interrelated set of elements functioning as a whole. By viewing an organization as a system, we can identify four basic elements: inputs, transformation processes, outputs, and feedback. First, inputs are the material, human, financial, and information resources that an organization gets from its environment. Next, through technological and managerial processes, inputs are transformed into outputs. Outputs include products, services, or both (tangible and intangible); profits, losses, or both, employee behaviors; and information. Finally, the environment reacts to these outputs and provides feedback to the system.

2. Recall a recent group project or task in which you have participated. Explain how members of the group displayed each of the managerial skills. **(LO 01.03, PPT Slides 14-15)**

Answer: Clearly, answers will vary. Students should have no trouble thinking of a situation. They should then describe how technical, interpersonal, conceptual, diagnostic, communication, decision-making, or time management skills were used in that situation.

3. The text notes that management is both a science and an art. Recall an interaction you have had with someone at a higher level in an organization (manager, teacher, group leader, or the like). In that interaction, how did the individual use science? If he or she did not use science, what could have been done to use science? In that interaction, how did the individual use art? If he or she did not use art, what could have been done to use art? **(LO 01.03, PPT Slide 19)**

Answer: Students' answers will vary, depending on the situation they describe. Examples of the use of science would include mention of rational, systematic, objective decision making or the use of quantitative models and scientific approaches to problem solving. Examples of the use of art would include mention of intuition, experience, instinct or personal insights. Other examples would include the use of communication or interpersonal skills.

## Questions for Application

1. Watch a movie that involves an organization of some type. *The Secret Life of Walter Mitty*, *The Avengers*, and *Up in the Air* would all be good choices. Identify as many management activities and skills as you can. **(LO 01.01, PPT 8)**

Answer: Depending on the movie selected, answers will vary. Students who choose *The Secret Life of Walter Mitty* movie, for example, will find examples of leading and planning as well as a variety of roles and skills.

2. Young, innovative, or high-tech firms often adopt the strategy of ignoring history or attempting to do something radically new. In what ways might this strategy help them? In what ways might this strategy hinder their efforts? **(LO 01.04, PPT Slide 21)**

Answer: Innovations that are truly radical are the only ones that have the potential to break through tradition and create something that has a chance of great success. Also, if the new firm is able to innovate in a way that is valued by consumers, they will attain an advantage over their rivals that may endure for a long time—a sustainable competitive advantage. On the other hand, willfully ignoring history increases the chances of repeating an error—for example, of trying a strategy or creating a product that has already been shown to be a failure or dead end. Also, by ignoring history, firms reject strategies and techniques that are known to work, and so they risk terrible failure.

3. Can a manager use tools and techniques from several different perspectives at the same time? For example, can a manager use both classical and behavioral perspectives? Give an example of a time when a manager did this, and explain how it enabled him or her to be effective. **(LO 01.06, PPT Slides 43 – 45)**

Answer: Managers can and do use multiple tools and techniques at the same time. This is often necessary to effectively cope with complex, varied situations and persons. Students will give different examples, but here is one possibility: “When I worked at a fast food restaurant, the manager had problems with one employee. This employee made mistakes, arrived at work late, and had a poor attitude. First, the manager tried to use a behavioral approach, where the manager reasoned with the employee and asked the other employees to use peer pressure to change the problem employee’s behavior. Next, the manager tried to use needs theories of motivation by threatening to cut the employee’s pay if the employee continued to create difficulties. Finally, the manager used scientific management to assign that employee to tasks where politeness, accuracy, and timeliness were less important, such as cleaning the restrooms and taking out the trash.”

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## Additional Activities and Assignments

### 1. **Building Effective Interpersonal Skills:** Johari Window

#### a. Purpose

This exercise has two purposes: to encourage students to analyze themselves more accurately and to start them working on small-group cohesiveness. This exercise encourages students to share data about themselves and then to assimilate and process feedback.

#### b. Format

Students individually complete three lists:

Quadrant 1—things that they and others know about themselves

Quadrant 3—things that they know about themselves that others do not know

Quadrant 2—things that they did not know about themselves but that they learned from others last semester

#### c. Follow-Up

You might want to lead a group discussion on interpersonal perception as a follow-up to this exercise. Any students who wish to share how they have moved information about themselves from, say, Quadrant 3 to Quadrant 1 should be encouraged to do so.

If you are doing a major group project throughout the course, you may want to use this exercise around the middle of the term, having each student focus on the Johari Window as it relates to his or her group.

### 2. **Building Effective Time Management Skills:**

#### da. Exercise Overview

This exercise allows students to assess their current time management skills and to understand ways to improve in this area.

#### eb. Format

This exercise must be done individually, outside of class. It will take about 20 minutes to complete. The results may be discussed in class.

#### fe. Exercise Task

1. First, make a list of your current activities, projects, and so forth. Think of this as your “to-do” list. Identify at least ten things. Try to include a variety of things both job or school related and also personal in nature. Number them in the order in which you are currently planning to do them.

2. Next, label each of these as being urgent, critical, both, or neither. For example, if “go grocery shopping” is on your list and you have no food at home it may be both urgent and critical. But, if you have plenty of food at home but want to shop for a special dinner you plan to cook next week, this might be critical but not urgent.
3. Examine how your numbered list from step one matches your labels in step two. That is, are you planning to tackle activities and projects that are both urgent and critical first? Based on your labeling in step two, how might you more efficiently change the order in which you plan to do things?

Students’ answers will vary based on their scores. Covey recommends that students spend the most time on tasks that are both critical and urgent, and that they do not neglect tasks that are critical but not urgent.

4. Think of a task that you regularly perform and which, if you were being perfectly honest, you could label *not urgent* and *not critical*. How much time do you spend on this task? What might be a more appropriate amount of time? To what other tasks could you give some of the time that you spend on this *not-urgent-not-critical* task?

Students’ opinions will vary. Covey’s characterization can be useful because it points out that too many people spend most of their time on urgent tasks, especially on urgent tasks that are not critical.

5. What one thing can you do today to make better use of your time? Try it to see if your time management improves.

Students should be able to think of ideas for how to better manage their time. Remind students that it’s not really a good use of time to try to eliminate all non-critical, non-urgent tasks. Some of these tasks, such as hanging out with friends or watching TV, can be relaxing and allow one to return to urgent and critical tasks with a fresh enthusiasm.

### 3. Skill-Building Personal Assessment: How do I Rate as a Manager:

#### ga. Purpose

This self-assessment will help you understand your current understanding of the practice of management and your own approach to management. This assessment outlines four important functions of management: planning, organizing, leading, and controlling. You should respond to this in one of three ways:

- Based on the student's own managerial experience, if they have any;
- Based on how the student view of effective (or ineffective) managers they have observed in their work experience; or

- In terms of how the student thinks an ideal manager should behave.

#### hb. Format

Students should respond individually and privately to the items in this self-assessment.

#### ie. Scoring and Interpretation

Students' total numerical score for each section provides them with a general assessment of their performance on that function.

- A total score between 41 and 50 is considered very high, suggesting the student has strong skills related to that function.
- A total score between 31 and 40 on a section is somewhat high, a score between 21 and 30 is somewhat low, and a score between 10 and 20 is low.
- Where a student falls on each management function can be used as one indicator of where they might want to concentrate future skill development efforts.

At the end of the course, if students have participated in any group activities in which they have incorporated planning, organizing, leading, and/or controlling, they should take the assessment again to see if their score has improved.

## MANAGEMENT AT WORK

### Some Keys to Making a Steinway

Answer: The case details the painstaking way in which Steinway & Sons builds its pianos, world-renowned instruments that have earned the company plaudits from generations of professional musicians. A variety of processes—sourcing inputs, employing skilled labor—are used to build the product, and extreme care is taken every step of the way. The vignette illustrates a variety of management principles at work, such as the systems view and the contingency perspective of management.

### Case Questions

1. Explain the process by which a Steinway grand piano is constructed as a subsystem of a larger system. From what the text tells you, give some examples of how the production subsystem is affected by the management, financial, and marketing subsystems.

Answer: The company Steinway & Sons is a large system that is made up of several interrelated subsystems such as operations, management, and marketing. The operations subsystem is responsible for constructing pianos. Here, skilled employees use various inputs (wood, glue, etc.) to make the product. The operations subsystem at Steinway (and in any organization) is, however, not independent of the other subsystems in the

organization. For example, the employees have to be recruited, trained, and retained by the organization (the management subsystem), the inputs have to be paid for and the cash flow managed over the long period from when inputs are sourced until the piano is sold (the finance subsystem), and the operations process must work in tandem with the marketing subsystem to synchronize the demand and supply of the product.

2. Discuss the Steinway process in terms of the systems perspective of organizations summarized in Figure 1.4. Explain the role of each of the three elements highlighted by the figure—inputs from the environment, the transformation process, and outputs into the environment.

Answer: Steinway & Sons illustrates all three essential elements of the systems perspective. The company obtains various kinds of inputs—materials (wood, glue), human inputs (skilled labor, for example), financial inputs (cash from sales of pianos)—to run the business. In turn, it uses its labor and technology to transform inputs into finished products, and finally, it sells the product in the market to complete the cycle.

3. Discuss some of the ways the principles of behavioral management and operations management can throw light on the Steinway process. How about the contingency perspective? In what ways does the Steinway process reflect a universal perspective, and in what ways does it reflect a contingency perspective?

Answer: Behavioral management comes into play at Steinway when it comes to managing its employees. Its skilled employees—many of them with long tenures—are most likely the company's most valuable resource and they have to be managed with care, keeping their motivation, their stake in the company, and their personal growth in mind. Operations management is important because Steinway builds its product very carefully and its product is meant to both perform well and be long lasting. Steinway illustrates both the universal and the contingency perspective at work. Some things at Steinway are universal, such as building the piano. The case describes how the company “bends” wood to take the shape of the outer case. This is a practice that has remained unchanged over the years. The contingency perspective is reflected in the situation involving the loss of a worker due to an accident. The company had to change its plans, in this case to slow down its production, until a replacement could be found.

## YOU MAKE THE CALL

### Reed Hastings Doesn't Like Standing Still

1. You're a Netflix employee, and Reed Hastings has just stopped by your desk. "I'd like to know," he says, "what you like most and least about working here." How do you think you might respond?

Answer: Students' responses may vary depending upon how they approach work. Some may like the work culture at Netflix that fosters innovation and unleashes their creativity. Others may prefer a more structured workplace.

2. You're a major Netflix stockholder attending the firm's annual board meeting. When you bump into Reed Hastings at a reception, he asks you, "How do you think we're doing with this company?" How would you respond?

Answer: Netflix's stock price has quadrupled over the past three years. However, Netflix's stock has over \$60 billion in market capitalization, which means the stock isn't cheap. This raises the risk that a slowdown in growth or a misstep by management could result in a huge price decline. Other risk factors include competition and uncertainty associated with the company's focus on original content. You could ask him what the company's plans are for the foreseeable future and how it plans to stay competitive in an industry with significant technology shifts.

3. You're the founder and owner of a small media company, and Netflix has indicated an interest in buying your business. Reed Hastings wants you to stay on and run the business as a unit of Netflix. In addition to price, what other factors (if any) are important to you?

Answer: Responses may vary depending upon one's personal values. Relevant questions might include whether the employees of the acquired company would be retained, and what the role of the new company would be in Netflix.

4. You've been contacted by a marketing research company doing work for Netflix. The researcher asks if you use Netflix and, if not, why? If you do use Netflix, the researcher asks what you like and dislike most about it. What would you say?

Answer: This question is from the perspective of a user or a potential user of Netflix, so opinions are likely to vary considerably. Issues such as availability of content and price are relevant here.

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## Additional Resources

### Cengage Video Resources

- MindTap Videos: (These videos can be found within the "Additional Resources" folder within MindTap. Students can also use these study tools on their mobile device via the Cengage Mobile App.)
- MindTap Videos:

- Concept Clip: Four Functions
- Concept Clip: Skills Used at Different Management Levels
- Concept Clip: Managerial Roles
- On the Job Video: Barcelona: The Evolution of Management Thinking

## Student Study Tools

- **MindTap Student Study Tools:** *(Found within the “Study It” folder within MindTap. Students can also use these study tools on their mobile device via the [Cengage Mobile App.](#))*
  - **Practice Test:** This resource allows students to create practice quizzes covering multiple chapters in a low-stakes environment. Students receive immediate feedback, so they know where they need additional help, and the test bank-like questions prepare students for what to expect on the exam. With about 100 questions per chapter, students can create multiple unique practice quizzes.
  - **Student PowerPoint Lecture Slides:** A streamlined version of the PowerPoint in which the instructor-only content has been removed.
  - **Flashcards:** Digitized flashcards that include the chapter’s key terms and definitions.

**Product Support:** [Visit our Resources and Support MindTap for Management page to view training resources, instructor guides, LMS integration information and more.](#)

You may also contact your Cengage Learning Consultant to assist you in implementing MindTap successfully in your course. If you are unsure of who your Cengage Learning Consultant is, use our [Cengage Rep Finder](#) to locate your local representative.