**Chapter 1**

**MANAGEMENT AND ITS HISTORY**

Chapter Outline

1. WHY STUDY MANAGEMENT?
2. WHAT IS A MANAGER’S RESPONSIBILITY?
3. Organizational Resources
4. WHAT DOES IT TAKE TO BE A SUCCESSFUL MANAGER?
5. Management Qualities
6. Management Skills
7. AACSB Competencies
8. Supervisory Ability
9. WHAT DO MANAGERS DO?
10. Management Functions
11. Management Roles
12. The Systems Relationship Among the Management Skills, Functions, and Roles
13. DIFFERENCES AMONG MANAGERS
14. The Three Levels of Management
15. Differences in Management Skills and Functions
16. Differences by Size and Profits
17. A BRIEF HISTORY OF MANAGEMENT
18. Classical Theory
19. Behavioral Theory
20. Management Science
21. Integrative Perspective
22. Comparing Theories
23. Managing the Old versus New Workplace
24. OBJECTIVES OF THE BOOK
25. Management Concepts
26. Application of Management Concepts
27. Development of Management Skills
28. Organization of the Book

Changes to 6e From 5e Chapter 1

* There are two major changes to this chapter, which are reflected in the name change to “Management and Its History.” The history of management is moved from the appendix into the chapter with its two Learning Outcomes and six key terms. And the section on entrepreneurship has been moved to Chapter 6, with its one Learning Outcome and seven key terms.
* The references have been updated, and 95 percent are new to this edition.
* There is some reorganization of the chapter headings.
* There are three new Exhibits for resources, management functions, and management skills.
* The section on information resources has been rewritten with new focus on knowledge.
* The introduction to the skills section has been rewritten.
* The definition of controlling has been changed to including monitoring and taking corrective action when needed.
* The section on AACSB competencies has been rewritten.
* The section on planning has been changed to “Planning—Based on Objectives” to place more emphasis on the importance of objectives and the differences between an objective and its plan.
* There is a new section discussing “The Transition to Management—Managing People.”
* There is a new section describing “Team Leader.”
* As in all chapters, there is a new case.
* The second case has been renamed Bill Gates: Microsoft and the Bill & Melinda Gates Foundation. The reorganization into eight business units is included, and the information on the Foundation has been expanded.

Lecture Outline

**Note:** The textbook supplements include a PowerPoint presentation for each chapter, which can be used rather than or in addition to this lecture outline.

1. WHY STUDY MANAGEMENT?

The study of management applies directly to your professional life. If you are a manager or want to be a manager someday, the need for good management skills is self-evident. Even if you are not interested in being a manager, you still need management skills to succeed in today’s workplace. The old workplace, in which managers simply told employees what to do, is gone. Today, employees want to be involved in management, and organizations expect employees to work in teams and share in decision making and other management tasks.

The study of management also applies to your personal life. You communicate and interact with people every day; you make personal plans and decisions, set goals, prioritize what you will do, and get others to do things for you.

|  |
| --- |
| **Communication Skills Question (CSQ) 1–1. Are you interested in being a manager?**  Answers will vary. |

|  |
| --- |
| **CSQ 1–2. Why is it important to take this course in management?**  Answers will vary. Some of the reasons may include that it is important to learn about management because knowledge of what management is can help you to be a better employee, because this course can help you to qualify to become a manager, and because it can help you if you become a manager. |

1. WHAT IS A MANAGER’S RESPONSIBILITY?

An interview with Bonnie Castonguary, a store manager for Gap Inc., provides an overview of the manager’s job and responsibility. In Exhibit 1–1, Bonnie has described a typical Monday.

|  |
| --- |
| Learning Outcome (LO) 1–1. Describe a manager’s responsibility.  A manager is responsible for achieving organizational objectives through efficient and effective use of resources. *Efficient* means doing things right, and *effective* means doing the right thing. The manager’s resources include human, financial, physical, and informational resources. |

1. **Organizational Resources**

A **manager** is responsible for achieving organizational objectives through efficient and effective utilization of resources. *Efficient* means doing things right so as to maximize the utilization of resources. *Effective* means doing the right thing in order to attain an objective; a manager’s effectiveness reflects the degree to which he or she achieves objectives.The **manager’s resources** are human, financial, physical, and informational. Exhibit 1–2 lists the four resources.

|  |
| --- |
| **CSQ 1–3. Is it more important for managers to be efficient or effective? Can you improve both at the same time?**  It is more important for managers to be effective than efficient because even if managers do the wrong things very well, they will not be successful.  No. You can’t really improve both at the same time in the sense that you have to be effective before you can be efficient. |

|  |
| --- |
| **CSQ 1–4. Is management ability universal? In other words, can a good manager in one environment (e.g., computers) also be effective in another (e.g., banking)?**  Generally, the answer is yes. Many managers change industries throughout their careers and are effective in more than one industry. |

1. **Human Resources**

Human resources are people. Managers are responsible for getting the job done through employees. People are the manager’s most valuable resource.

1. **Financial Resources**

Most managers have a budget stating how much it should cost to operate their department/store for a set period of time. In other words, a budget defines the financial resources available.

1. **Physical Resources**

Getting the job done requires effective and efficient use of physical resources through control mechanisms.

1. **Informational Resources**

Information continues to increase in importance as a means of increasing the speed of doing business in a competitive global environment. Managers need information in order to share knowledge throughout the organization, which in turn enables them to make good decisions.

|  |
| --- |
| **Review Question (RQ) 1–1. What are a manager’s resources?**  The manager’s resources are human, financial, physical, and informational. |

1. **Resources and Performance.**

Managers have a profound impact on the performance of their organizations. The level of organizational **performance** is based on how effectively and efficiently managers utilize resources to achieve objectives. Managers are responsible for and evaluated on how well they meet organizational objectives through utilization of resources.

|  |
| --- |
| WORK APPLICATION Example student answer  1–1. Describe the specific resources used by a present or past boss. Give the manager’s job title and department.  My boss was the branch manager at Merchants Bank. The primary resource she used was the tellers (human resources) to get the job done. When the manager was filling in for tellers at lunch or on break, she and the other tellers conducted banking transactions for savings and checking accounts on the computer terminal (physical resources), which was connected to the mainframe computer at the home office. The computer was the main information resource on account activities. We were handling financial resources all day long. |

1. WHAT DOES IT TAKE TO BE A SUCCESSFUL MANAGER?
2. **Management Qualities**

The executives in a *Wall Street Journal* Gallup survey identified integrity, industriousness, and the ability to get along with people as the three most important traits for successful managers.

|  |
| --- |
| WORK APPLICATION Example student answer  1–2. Identify a specific manager, preferably one who is or was your boss, and explain what makes him or her successful or unsuccessful. Give examples.  My boss owns Bill’s Homemade Ice Cream. Bill’s is only open in the summer. Bill, who is around age 50, is successful because he only checks in a couple of times a day. The rest of the day he is free to go where he wants to and do whatever he wants to do. The reason for his success is that he hires good college students to work and trains them well so that he does not need to be around to supervise them. |

1. Management Skills

|  |
| --- |
| LO 1–2. List and explain the three management skills.  The three management skills are technical, interpersonal, and decision-making skills. Technical skills involve the ability to use methods and techniques to perform a task. Interpersonal skills involve the ability to understand, communicate, and work well with individuals and groups through developing effective relationships. Decision-making skills are based on the ability to conceptualize situations and select alternatives to solve problems and take advantage of opportunities. |

**Management skills** include (1) technical, (2) interpersonal, and (3) decision-making skills. Exhibit 1–3 lists the skills.

1. **Technical Skills**

**Technical skills** involve the ability to use methods and techniques to perform a task. Technical skills are also called business skills, and they are the easiest of the three management skills to develop.

1. **Interpersonal Skills**

**Interpersonal skills** involve the ability to understand, communicate, and work well with individuals and groups through developing effective relationships. Interpersonal skills are sometimes also referred to as human or people skills, as well as soft skills. Interpersonal skills are based on several other skills, including:

* Communication skills
* Team skills
* Diversity skills
* Power, political, negotiation, and networking skills
* Motivation skills
* Conflict management skills
* Ethics skills

1. **Decision-Making Skills**

**Decision-making skills** are based on the ability to conceptualize situations and select alternatives to solve problems and take advantage of opportunities. Decision-making skills are based on several other skills, including:

* Conceptual skills
* Diagnostic, analytical, and critical-thinking skills
* Quantitative reasoning skills
* Time management skills

|  |
| --- |
| **RQ 1–2. What are the three management skills?**  Management skills include technical, interpersonal, and decision-making skills. |

|  |
| --- |
| **CSQ 1–5. Some people say the hard skills (technical, finance, quantitative analysis) are more important for managers than soft skills (interpersonal skills), and some say the opposite is true. What is your view?**  Although it can make a good debate, it is really hard to say whether one is really more important than the other. A truly good manager has both hard and soft skills; most people don’t progress in management without both. |

|  |
| --- |
| WORK APPLICATION Example student answer  1–3. Select a manager, preferably one who is or was your boss, and state the specific management skills he or she uses on the job.  My boss, Jeff, is the manager at Jiffy Lube. Jeff needs technical skills to lube the cars because part of his time is spent doing it, and he also has to train the workers how to lube the cars. Jeff needs interpersonal skills in order to motivate his employees to come to work and to do a good job. Jeff uses his decision-making skills to determine how many people to schedule, when to schedule them, when to order more supplies, and so on. |

|  |
| --- |
| APPLYING THE CONCEPT Answers  AC 1–1—Management Skills  b 1. Interpersonal. Thanking someone is a form of motivation.  c 2. Decision-making. Scheduling requires the manager to make decisions.  b 3. Interpersonal. Writing an e-mail is a form of communication.  a 4. Technical. Running a machine takes technical skills.  c 5. Decision-making. Figuring out a problem takes diagnostic, analytical, and critical-thinking skills. |

1. **AACSB Competencies**

In addition to qualities and skills, AACSB (Association to Advance Collegiate Schools of Business), which gives accreditation to business schools, has identified competencies that business students should develop. Below is a list of AACSB learning standards for accreditation for undergraduate general knowledge and skill areas:

* Communication abilities
* Ethical understanding and reasoning abilities
* Analytic skills
* Use of information technology
* Dynamics of the global economy
* Multicultural and diversity understanding
* Reflective thinking skills

1. **Supervisory Ability**

Professor Edwin Ghiselli conducted a study to determine the traits that contribute to success as a manager. These six traits, in reverse order of importance, include: initiative, self-assurance, decisiveness, intelligence, need for occupational achievement, and supervisory ability. The number-one trait, supervisory ability, includes skills in planning, organizing, leading, and controlling. These four areas of supervisory ability are more commonly referred to as the *management functions*.

1. WHAT DO MANAGERS DO?
2. **Management Functions**

|  |
| --- |
| LO 1–3. List and explain the four management functions.  The four management functions are planning, organizing, leading, and controlling. Planning is the process of setting objectives and determining in advance exactly how the objectives will be met. Organizing is the process of delegating and coordinating tasks and allocating resources to achieve objectives. Leading is the process of influencing employees to work toward achieving objectives. Controlling is the process of establishing and implementing mechanisms to ensure that the organization achieves its objectives. |

The four **management functions** include the following (which are listed in Exhibit 1–4):

* Planning
* Organizing
* Leading
* Controlling

1. **Planning—based on Objectives.**

Planning is typically the starting point in the management process.**Planning** is the process of setting objectives and determining in advance exactly how the objectives will be met.

1. **Organizing**

**Organizing** is the process of delegating and coordinating tasks and allocating resources to achieve objectives. An important part of organizing, sometimes listed as a separate function, is staffing. *Staffing* is the process of selecting, training, and evaluating employees.

1. **Leading**

The ability to lead is perhaps the most important skill for any manager. **Leading** is the process of influencing employees to work toward achieving objectives.

1. **Controlling**

**Controlling** is the process of monitoring progress and taking corrective action when needed to ensure that objectives are achieved. An important part of controlling is monitoring and measuring progress toward the achievement of objectives and taking corrective action when necessary.

|  |
| --- |
| **RQ 1–3. What are the four functions of management?**  The four functions of management include planning, organizing, leading, and controlling. |

|  |
| --- |
| WORK APPLICATION Example student answer  1–4. Identify a specific manager, preferably one who is or was your boss, and give examples of how that person performs each of the four management functions.  My boss, Sonia, owns her own beauty salon. Sonia has to plan the work schedules for 15 employees. She has to assign her customers to specific hairdressers, pedicurists, and/or manicurists. When people have multiple services, coordination is important so that customers don’t have to wait around for the next service. Sonia does the staffing by hiring and training all the employees. Sonia leads employees to get them to do a good job. She continually reminds all of us how important customer satisfaction is. It works because most of our customers always come back to us, and new customers tend to become regulars, too. Sonia spends a lot of her time talking to the customers and making sure they are happy with their haircut or nails; and if they are not, she has the employee try to fix the problem. Once in a while she will give a customer the next visit free so she doesn’t lose that person’s business. |

|  |
| --- |
| APPLYING THE CONCEPT Answers  AC 1–2—Management Functions  c 6. Leading. The manager is trying to influence the employee’s performance.  b 7. Organizing. Job interviewing is part of staffing, which in turn is an organizing function.  e 8. Nonmanagement. The manager is not getting the job done through others.  d 9. Controlling. The manager is monitoring progress to determine if corrective action is needed to meet the shift production goal.  b 10. Organizing. Showing an employee how to use the computer ordering system is a training function, which is part of the organizing function. |

1. **Nonmanagement Functions**

All managers perform the four functions of management as they get work done through employees. However, many managers also perform nonmanagement, or employee, functions as well.

1. **The Transition to Management—Managing People**

New managers tend to view themselves as the boss, telling others what to do, making decisions, and getting things done, but with time realize their job is to manage people.

1. **Management Roles**

|  |
| --- |
| LO 1–4. Identify the three management role categories.  Managers play the interpersonal role when they act as figurehead, leader, or liaison. Managers play the informational role when they act as monitor, disseminator, or spokesperson. Managers play the decisional role when they act as entrepreneur, disturbance handler, resource allocator, or negotiator. |

Managers have a set of distinct roles. A *role* is a set of expectations of how one will behave in a given situation. Henry Mintzberg identified 10 roles that managers embody as they accomplish management functions. Mintzberg grouped these roles into three **management role categories** (which are listed in Exhibit 1–5):

* Interpersonal roles
* Informational roles
* Decisional roles

1. **Interpersonal Roles**

Interpersonal roles include figurehead, leader, and liaison. Managers play thefigurehead role when they represent the organization or department in ceremonial and symbolic activities. Managers play the leader role when they motivate, train, communicate with, and influence others. Managers play the liaison role when they interact with people outside of their unit to gain information and favors.

1. **Informational Roles**

Informational roles include monitor, disseminator, and spokesperson. Managers play the monitor role when they read and talk to others to receive information. Managers play the disseminator role when they send information to others. Managers play thespokesperson role when they provide information to people outside the organization.

1. **Decisional Roles**

Decisional roles include entrepreneur, disturbance handler, resource allocator, and negotiator. Managers play the entrepreneur role when they innovate and initiate improvements. Managers play the disturbance-handler role when they take corrective action during disputes or crisis situations. Managers play the resource-allocator role when they schedule, request authorization, and perform budgeting and programming activities. Managers perform the negotiator role when they represent their department or organization during nonroutine transactions to gain agreement and commitment.

|  |
| --- |
| **RQ 1–4. What are the three management role categories?**  The three management role categories include interpersonal, informational, and decisional roles. |

|  |
| --- |
| WORK APPLICATION Example student answer  1–5. Identify a specific manager, preferably one who is or was your boss, and give examples of how that person performs in each of the three management role categories. Be sure to identify at least one of the three or four roles in each category.  I worked this past summer primarily catching boxes as they came off the conveyer belt. My boss, John, spent most of the time playing the interpersonal role of leader because the job was pretty boring, and he tried to help us have a good time by joking around and gaining satisfaction from the people we work with. John spent most of his time in the informational role as the monitor. When the machines were acting up, he would tinker with them; or when he couldn’t fix them, he’d play the disseminator role to get maintenance to come fix the machines. When we have a machine not working, it’s a crisis, and John plays the decisional role of disturbance handler to fix them. |

|  |
| --- |
| APPLYING THE CONCEPT Answers  AC 1–3—Management Roles  b 11. Informational role. The manager is playing the monitor role by reading to receive information.  a 12. Interpersonal role. The manager is playing the leader role by showing the employee how to fill out the form.  c 13. Decisional role. The manager is playing the negotiator role in discussing the price.  a 14. Interpersonal role. The manager is playing the liaison role—customers are outsiders.  c 15. Decisional role. The manager is playing the entrepreneur role by developing a new meal. |

**C. The Systems Relationship Among the Management Skills, Functions, and Roles**

The management skills are interrelated. A manager’s skills also affect the implementation of the management functions. Exhibit 1–6 puts the skills, functions, and roles together.

The management functions are distinct yet interrelated. Managers often perform them simultaneously. In addition, each function depends on the others. The management functions are based on setting objectives (planning) and achieving them (through organizing, leading, and controlling).

How well a manager plays the various management roles is also affected by his or her management skills. The 10 management roles are also integrated with the management functions. Certain management roles are played when performing the different management functions.

V. DIFFERENCES AMONG MANAGERS

There are many differences in levels of management, types of managers, management skills needed, management functions performed, roles played, and the functions of managers in large businesses versus small businesses and for-profit versus not-for-profit businesses.

1. **The Three Levels of Management**

|  |
| --- |
| LO 1–5. List the hierarchy of management levels.  The three hierarchy levels are top managers (e.g., operations executive), middle managers (e.g., marketing manager), and first-line managers (e.g., accounting supervisor). |

The three **levels of management** are top managers, middle managers, and first-line managers. The three levels relate to each other as described below, which are listed in Exhibit 1–7.

1. **Top-Level Managers**

Top managers—people in executive positions—have titles such as chief executive officer (CEO), president, or vice president. Top managers are responsible for managing an entire organization or major parts of it. They develop and define the organization’s purpose, objectives, and strategies and often get the credit or blame for the performance of their firms.

1. **Middle Managers**

People in middle management positions have titles such as sales manager, branch manager, or department head. Middle managers are responsible for implementing top management’s strategy by developing short-term operating plans.

1. **First-Line Managers**

Examples of titles of first-line managers are crew leader, supervisor, head nurse, and office manager. These managers are responsible for implementing middle managers’ operational plans.

1. **Team Leader**

They are often called a project or program leader or task force or committee leader. The team leader is not usually a permanent management position and thus is not a level in the hierarchy of management. You will learn more about teams and how to lead them in Chapter 12.

|  |
| --- |
| **RQ 1–5. What are the three levels of management?**  The three levels of management are top managers, middle managers, and first-line managers. |

|  |
| --- |
| WORK APPLICATION Example student answer  1–6. Identify the three levels of management in a specific organization by level and title. Be sure to give the organization’s name.  I work part time in the office for a car dealer, Casey Dodge. There are four supervisors: office manager, service manager, sales manager, and auto body manager. These four supervisors report to the general manager, who reports to the top manager, president/owner, Mr. Casey. |

1. **Nonmanagement Operative Employees**

Operative employees are the workers in an organization who do not hold management positions. They make the products, wait on customers, perform repairs, and so on.

|  |
| --- |
| **CSQ 1–6. Is your college professor a manager? Why or why not?**  No. College professors are not really managers, even though they do perform the four functions of management. Students are not employees of the college; in essence, students are customers, so your professor is not a manager. |

|  |
| --- |
| **CSQ 1–7. When a good employee is promoted to management, which management level is the promotion usually to, and how do the management skills and functions change with the job promotion?**  When an employee is promoted, it is usually to the first-line management position. The employee’s technical skills are still important, but interpersonal skills and decision-making skills become more important as a manager. The nonmanager operative employee performs mostly nonmanagement functions. However, as a manager, the new supervisor will have to spend more time planning, organizing, leading, and controlling. |

|  |
| --- |
| **CSQ 1–8. When an employee is promoted to a manager, do most organizations provide some type of training? Should they? Why or why not?**  No. Most organizations don’t provide any training when an employee is promoted to a manager.  Yes. The organization should provide some type of training for the employee. Most successful leaders have had extensive training. |

|  |
| --- |
| APPLYING THE CONCEPT Answers  AC 1–4—Differences among Management Levels  b 16. Middle. Middle managers report to an executive.  c 17. First-line. First-line managers have a greater need for technical skills than do top or middle managers.  a 18. Top. Top managers spend more time planning and organizing than do first-line or middle managers.  c 19. First-line. First-line managers supervise operative employees.  b 20. Middle. Middle managers have a more balanced need for the management skills and functions. |

1. **Types of Managers by Level**

|  |
| --- |
| LO 1–6. Describe the three different types of managers.  A general manager supervises the activities of several departments or units that perform different activities. Functional managers supervise related activities such as marketing, operations, finance, and human resources management. A project manager coordinates employees and other resources across several functional departments to accomplish a specific task. |

The three **types of managers** are general managers, functional managers, and project managers. Top-level and some middle managers are *general managers* because they supervise the activities of several departments that perform different activities. Middle and first-line managers are often *functional managers* who supervise the activities of related tasks. A *project manager* coordinates employees and other resources across several functional departments to accomplish a specific task, often as a team leader.

The four most common business functional areas include marketing, operations/production, finance/accounting, and human resources/personnel management.

|  |
| --- |
| **RQ 1–6. What are the three types of managers?**  The three types of managers are general managers, functional managers, and project managers. |

|  |
| --- |
| WORK APPLICATION Example student answer  1–7. Identify which type of boss you have now or have had previously. If that person is or was a functional manager, be sure to specify the functional tasks of the department.  When I worked for A&P Supermarket, I worked for Karen, the produce manager. Karen is a functional manager and is responsible for the produce department. Karen did not hire the staff, but she did have the functional tasks of training them to stock the shelves with produce and supervising their work. |

|  |
| --- |
| JOIN THE DISCUSSION: ETHICS & SOCIAL RESPONSIBILITY – 1–1  Executive Compensation  Answers will vary based on opinion. |

1. **Differences in Management Skills and Functions**

|  |
| --- |
| LO 1–7. Describe the differences among management levels in terms of skills needed and functions performed.  Top managers have a greater need for conceptual and decision-making skills than do first-line managers. Middle managers have a need for all three skills. First-line managers have a greater need for technical skills than top managers do. |

The differences is skills and functions are listed in Exhibit 1–8.

1. **Differences in Management Skills**

All managers need technical, interpersonal, and decision-making skills. However, the relative importance of these types of skills varies with the level of management. At all three levels of management, the need for interpersonal skills remains fairly constant. However, top-level managers have a greater need for decision-making skills, whereas first-line managers have a greater need for technical skills. Middle managers tend to need all three skills, but the mix required differs somewhat from organization to organization.

1. **Differences in Management Functions**

All managers perform the four management functions: planning, organizing, leading, and controlling. However, the time spent on each function varies with the level of management. First-line managers spend more time leading and controlling, middle-level managers spend equal time on all four functions, and top managers spend more time planning and organizing.

1. **Differences by Size and Profits**
2. **Large-Business versus Small-Business Managers**

Exhibit 1–9 lists some of the differences between large and small businesses. However, these are general statements; many large and small businesses share certain characteristics. Most large businesses started as small businesses.

1. **Managers of For-Profit versus Not-for-Profit Organizations**

Although some noteworthy differences exist, the manager’s job is the same in for-profit and not-for-profit organizations. All managers need management skills, perform management functions, and play management roles regardless of the organization type.

In the past, it was common to classify both non-governmental and governmental organizations together into one group called not-for-profits. However, the current trend is to distinguish not-for-profit organizations into non-governmental organizations (NGOs) and governmental organizations.

Exhibit 1–10 lists some of the differences between for-profit and not-for-profit organizations.

VI. A BRIEF HISTORY OF MANAGEMENT

|  |
| --- |
| LO 1–8. State the major similarities and differences between the classical and behavioral theorists.  Both classical and behavioral theorists wanted to find the best way to manage in all organizations. However, the classicists focused on the job and management functions, whereas the behaviorists focused on people. |

1. **Classical Theory**

The **classical theorists** focus on the job and management functions to determine the best way to manage in all organizations.

1. **Scientific Management**

Frederick Winslow Taylor (1856–1915), an engineer known as the Father of Scientific Management, focused on analyzing jobs and redesigning them so that they could be accomplished more efficiently. He searched for the best way to maximize performance.

Frank Gilbreth (1868–1924) and his wife Lillian Gilbreth (1878–1972) used time-and-motion studies to develop more efficient work procedures.

Another person who made important contributions to scientific management was Henry Gantt(1861–1919). He developed a method for scheduling work over a period of time that is still widely used today. You will learn how to develop a Gantt chart in Chapter 14.

1. **Administrative Theory**

Henri Fayol (1841–1925) was a French engineer who is sometimes referred to as the Father of Modern Management. Fayol was a pioneer in the study of the principles and functions of management. He made a clear distinction between operating and managerial activities. Fayol identified five major functions of management: planning, coordinating, organizing, controlling, and commanding.

Two other contributors to administrative management are Max Weber (1864–1920) and Chester Barnard (1886–1961). Max Weber was a German sociologist who developed the *bureaucracy concept.* The aim of his concept of bureaucracy was to develop a set of rules and procedures to ensure that all employees were treated fairly. Chester Barnard studied authority and power distributions in organizations. He raised awareness of the informal organization—cliques and naturally occurring social groupings within formal organizations.

Mary Parker Follett (1868–1933) stressed the importance of people rather than engineering techniques. Follett contributed to administrative theory by emphasizing the need for worker participation, conflict resolution, and shared goals.

Many companies still use classical management techniques successfully today.

1. **Behavioral Theory**

The **behavioral theorists** focus on people to determine the best way to manage in all organizations.

Elton Mayo (1880–1949) pioneered the *human relations* movement. Mayo headed a group of Harvard researchers in conducting the Hawthorne studies, a landmark series of studies of human behavior in Western Electric’s Hawthorne plant (Cicero, Illinois) from 1927 to 1932. Mayo’s research suggested that a manager’s treatment of people had an important impact on their performance. In other words, treating people well and meeting their needs frequently results in increased performance. The *Hawthorne effect* refers to the phenomenon that just studying people affects their performance.

Abraham Maslow (1908–1970) developed the *hierarchy of needs* theory.You will learn more about Maslow’s hierarchy of needs inChapter 11.

Douglas McGregor (1906–1964) developed *Theory X* and *Theory Y.* McGregor contrasted the two theories, based on the assumptions that managers make about workers. Theory X managers assume that people dislike work and that only if managers plan, organize, and closely direct and control their work will workers perform at high levels. Theory Y managers assume that people like to work and do not need close supervision.

Behaviorists believed that happy employees would be productive. However, later research suggested that a happy worker is not necessarily a productive worker.

The behavioral approach to management is still evolving and being used in organizations. The current term for studying people at work is the *behavioral science approach*, which draws from economics, psychology, sociology, and other disciplines.

1. **Management Science**

The **management science theorists** focus on the use of mathematics to aid in problem solving and decision making.

1. **Integrative Perspective**

|  |
| --- |
| LO 1–9. Describe how systems theorists and contingency theorists differ from classical and behavioral theorists.  The classical and behavioral and the systems theorists differ in the way they conceptualize the organization and its problems. The classical and behavioral theorists use a reductionist approach by breaking the organization into its component parts to understand the whole (sum of parts = whole). Systems theorists look at the organization as a whole and the interrelationship of its parts to understand the whole (whole = interrelationship of parts).  The classical and behavioral theorists seek the best management approach in all organizations. The contingency theorists propose that there is no best approach for all organizations; they seek to determine which management approach will work best in a given situation. |

The integrative perspective has three components: systems theory, sociotechnical theory, and contingency theory.

1. **Systems Theory**

The **systems theorists** focus on viewing the organization as a whole and as the interrelationship of its parts.

According to Russell Ackoff, the commonly used classical approach to problem solving is a reductionist process. Managers tend to break an organization into its basic parts (departments), understand the behavior and properties of the parts, and add the understanding of the parts together to understand the whole. They focus on making independent departments operate as efficiently as possible. According to systems theorists, the reductionist approach cannot yield an understanding of the organization, only knowledge of how it works. Because the parts of a system are interdependent, even if each part is independently made to perform as effectively as possible, the organization as a whole may not perform as effectively as possible.

According to Harold Koontz, Daniel Katz, Robert Kahn, and others, the systems approach recognizes that an organization is an open system because it interacts with and is affected by the external environment. You will learn more about open systems and the organizational environment in Chapter 2.

Over the years, systems theory lost some of its popularity. However, today one of the major trends is toward total quality management (TQM), which takes a systems approach to management. You will learn more about TQM in Chapters 2, 6, and 14.

1. **Sociotechnical Theory**

The **sociotechnical theorists** focus on integrating people and technology.Sociotechnical theory was formulated during the 1950s and 1960s by Eric Trist, Ken Bamforth, Fred Emery, and others.

1. **Contingency Theory**

The **contingency theorists** focus on determining the best management approach for a given situation. Tom Burnsand George Stalkerconducted a study to determine how the environmentaffects a firm’s organization and management systems. They identified two different types of environments: stable (where there is little change) and innovative (great changes). The researchers also identified two types of management systems: mechanistic (similar to bureaucratic classical theory) and organic (nonbureaucratic, similar to behavioral theory). They concluded that in a stable environment, the mechanistic approach works well, whereas in an innovative environment, the organic approach works well.

Joan Woodwardconducted a study to determine how technology(the means of producing products) affects organizational structure. She found that organizational structure did change with the type of technology. Woodward concluded that the mechanistic or classical approach worked well with mass-production technology (such as that of an automobile assembly line), whereas the organic or behavioral approach worked well with small-batch (custom-made) products and long-run process technology (such as that for refining crude oil).

1. **Comparing Theories**

Exhibit 1–11 reviews the theories covered.

1. **Managing the Old versus New Workplace**

In the old workplace, managers used an autocratic leadership style with a local domestic view, jobs were specialized and routinely performed by individuals, employees were homogeneous, and change was slow. In the new workplace, managers use a more participative leadership style with a global view, jobs are more flexible and performed by teams, employees are diverse, and change is rapid.

1. **Knowledge Management**

**Knowledge management**involves everyone in an organization in sharing knowledge and applying it to continuously improve products and processes. *Learning organizations* have everyone engaged in identifying and solving problems, enabling change, and continuous improvement. They share three characteristics: a team-based structure, participative management, and the sharing of information through knowledge management.

1. **Evidence-Based Management (EBM)**

Knowledge management is all about learning new things and applying the knowledge in order to improve. It goes hand in hand with *evidence-based management* (EBM), which is the systematic use of the best available evidence to improve management practice.

VII. OBJECTIVES OF THE BOOK

As indicated by its subtitle, “Concepts, Applications, and Skill Development,” this book uses a three-pronged approach, with three objectives:

* To teach you the important concepts of management
* To develop your ability to apply the management concepts through critical thinking
* To develop your management skills in your personal and professional lives

The book offers some unique features to further each of these three objectives, as summarized in Exhibit 1–10.

|  |
| --- |
| **RQ 1–7. What are the objectives of this book?**  The objectives of this book are to teach you the important concepts of management, to develop your ability to apply the management concepts through critical thinking, and to develop your management skills in your personal and professional lives. |

A. Management Concepts

Throughout this book, you will learn management concepts and see how they relate to organizational success, as well as to the difficulties and challenges managers face. This book offers the six features listed in Exhibit 1–12 to help you learn management concepts.

B. Application of Management Concepts

Understanding theory and concepts is essential before moving to the next level: applying the concepts. As shown in Exhibit 1–12, this book offers seven features to help you develop the critical-thinking skills you will need to apply the concepts.

C. Development of Management Skills

The third and highest-level objective is to develop the management skills that you can use in your personal and professional lives, as both a leader and a follower. You can develop your management skills. This book offers five features to help you do so.

1. **Practice**

As with just about everything in life, you cannot become skilled by simply reading about or trying something once. If you want to develop your management skills, you must not only learn the concepts in this book but also practice with the applications and skill-building exercises. But most important, to be successful, you need to practice using your skills in your personal and professional lives.

1. **Flexibility**

This book has so many features that it is unlikely that all of them can be covered in class during a one-semester course. Select the features that best meet the course objectives and the amount of class time available.

D. Organization of the Book

See Exhibit 1–12 for the table of contents.

LEARNING OUTCOMES AND ANSWERS

The chapter summary is organized to answer the learning objectives for Chapter 1. They are also found at the end of the chapter and can be used as short-answer questions on exams.

*These learning outcomes are included in the test bank in the concept section.*

**1–1. Describe a manager’s responsibility.**

A manager is responsible for achieving organizational objectives through efficient and effective use of resources. *Efficient* means doing things right, and *effective* means doing the right thing. The manager’s resources include human, financial, physical, and informational resources.

**1–2. List and explain the three management skills.**

The three management skills are technical, interpersonal, and decision-making skills. Technical skills involve the ability to use methods and techniques to perform a task. Interpersonal skills involve the ability to understand, communicate, and work well with individuals and groups through developing effective relationships. Decision-making skills are based on the ability to conceptualize situations and select alternatives to solve problems and take advantage of opportunities.

**1–3. List and explain the four management functions.**

The four management functions are planning, organizing, leading, and controlling. Planning is the process of setting objectives and determining in advance exactly how the objectives will be met. Organizing is the process of delegating and coordinating tasks and allocating resources to achieve objectives. Leading is the process of influencing employees to work toward achieving objectives. Controlling is the process of establishing and implementing mechanisms to ensure that the organization achieves its objectives.

**1–4. Identify the three management role categories.**

Managers play the interpersonal role when they act as figurehead, leader, or liaison. Managers play the informational role when they act as monitor, disseminator, or spokesperson. Managers play the decisional role when they act as entrepreneur, disturbance handler, resource allocator, or negotiator.

**1–5. List the hierarchy of management levels.**

The three hierarchy levels are top managers (e.g., operations executive), middle managers (e.g., marketing manager), and first-line managers (e.g., accounting supervisor).

**1–6. Describe the three different types of managers.**

A general manager supervises the activities of several departments or units that perform different activities. Functional managers supervise related activities such as marketing, operations, finance, and human resources management. A project manager coordinates employees and other resources across several functional departments to accomplish a specific task.

**1–7. Describe the differences among management levels in terms of skills needed and functions performed.**

Top managers have a greater need for conceptual and decision-making skills than do first-line managers. Middle managers have a need for all three skills. First-line managers have a greater need for technical skills than top managers do.

**1–8. State the major similarities and differences between the classical and behavioral theorists.**

Both classical and behavioral theorists wanted to find the best way to manage in all organizations. However, the classicists focused on the job and management functions, whereas the behaviorists focused on people.

**1–9. Describe how systems theorists and contingency theorists differ from classical and behavioral theorists.**

The classical and behavioral and the systems theorists differ in the way they conceptualize the organization and its problems. The classical and behavioral theorists use a reductionist approach by breaking the organization into its component parts to understand the whole (sum of parts = whole). Systems theorists look at the organization as a whole and the interrelationship of its parts to understand the whole (whole = interrelationship of parts).

The classical and behavioral theorists seek the best management approach in all organizations. The contingency theorists propose that there is no best approach for all organizations; they seek to determine which management approach will work best in a given situation.

WORK APPLICATION SAMPLE ANSWERS

(Most of the answers are actual student answers or based on student answers. You may give these answers as part of your lecture before, after, or in place of getting student answers.)

*These work applications are included in the test bank in the application section.*

**1–1. Describe the specific resources used by a present or past boss. Give the manager’s job title and department.**

My boss was the branch manager at Merchants Bank. The primary resource she used was the tellers (human resources) to get the job done. When the manager was filling in for tellers at lunch or on break, she and the other tellers conducted banking transactions for savings and checking accounts on the computer terminal (physical resources), which was connected to the mainframe computer at the home office. The computer was the main information resource on account activities. We were handling financial resources all day long.

**1–2. Identify a specific manager, preferably one who is or was your boss, and explain what makes him or her successful or unsuccessful. Give examples.**

My boss owns Bill’s Homemade Ice Cream. Bill’s is only open in the summer. Bill, who is around age 50, is successful because he only checks in a couple of times a day. The rest of the day he is free to go where he wants to and do whatever he wants to do. The reason for his success is that he hires good college students to work and trains them well so that he does not need to be around to supervise them.

**1–3. Select a manager, preferably one who is or was your boss, and state the specific management skills he or she uses on the job.**

My boss, Jeff, is the manager at Jiffy Lube. Jeff needs technical skills to lube the cars because part of his time is spent doing it, and he also has to train the workers how to lube the cars. Jeff needs interpersonal skills in order to motivate his employees to come to work and to do a good job. Jeff uses his decision-making skills to determine how many people to schedule, when to schedule them, when to order more supplies, and so on.

**1–4. Identify a specific manager, preferably one who is or was your boss, and give examples of how that person performs each of the four management functions.**

My boss, Sonia, owns her own beauty salon. Sonia has to plan the work schedules for 15 employees. She has to assign her customers to specific hairdressers, pedicurists, and/or manicurists. When people have multiple services, coordination is important so that customers don’t have to wait around for the next service. Sonia does the staffing by hiring and training all the employees. Sonia leads employees to get them to do a good job. She continually reminds all of us how important customer satisfaction is. It works because most of our customers always come back to us, and new customers tend to become regulars, too. Sonia spends a lot of her time talking to the customers and making sure they are happy with their haircut or nails; and if they are not, she has the employee try to fix the problem. Once in a while she will give a customer the next visit free so she doesn’t lose that person’s business.

**1–5. Identify a specific manager, preferably one who is or was your boss, and give examples of how that person performs in each of the three management role categories. Be sure to identify at least one of the three or four roles in each category.**

I worked this past summer primarily catching boxes as they came off the conveyer belt. My boss, John, spent most of the time playing the interpersonal role of leader because the job was pretty boring, and he tried to help us have a good time by joking around and gaining satisfaction from the people we work with. John spent most of his time in the informational role as the monitor. When the machines were acting up, he would tinker with them; or when he couldn’t fix them, he’d play the disseminator role to get maintenance to come fix the machines. When we have a machine not working, it’s a crisis, and John plays the decisional role of disturbance handler to fix them.

**1–6. Identify the three levels of management in a specific organization by level and title. Be sure to give the organization’s name.**

I work part time in the office for a car dealer, Casey Dodge. There are four supervisors: office manager, service manager, sales manager, and auto body manager. These four supervisors report to the general manager, who reports to the top manager, president/owner, Mr. Casey.

**1–7. Identify which type of boss you have now or have had previously. If that person is or was a functional manager, be sure to specify the functional tasks of the department.**

When I worked for A&P Supermarket, I worked for Karen, the produce manager. Karen is a functional manager and is responsible for the produce department. Karen did not hire the staff, but she did have the functional tasks of training them to stock the shelves with produce and supervising their work.

REVIEW QUESTION ANSWERS

*These review questions are included in the test bank in the concept section.*

**1–1. What are a manager’s resources?**

The manager’s resources are human, financial, physical, and informational.

**1–2. What are the three management skills?**

Management skills include technical, interpersonal, and decision-making skills.

**1–3. What are the four functions of management?**

The four functions of management include planning, organizing, leading, and controlling.

**1–4. What are the three management role categories?**

The three management role categories include interpersonal, informational, and decisional roles.

**1–5. What are the three levels of management?**

The three levels of management are top managers, middle managers, and first-line managers.

**1–6. What are the three types of managers?**

The three types of managers are general managers, functional managers, and project mangers.

**1–7. What are the objectives of this book?**

The objectives of this book are to teach you the important concepts of management, to develop your ability to apply the management concepts through critical thinking, and to develop your management skills in your personal and professional lives.

COMMUNICATION SKILLS ANSWERS

Applications may also be used as class discussion questions or written assignments to develop communication skills.

*These communication skills questions are included in the test bank in the skills section.*

**1–1. Are you interested in being a manager?**

Answers will vary.

**1–2. Why is it important to take this course in management?**

Answers will vary. Some of the reasons may include that it is important to learn about management because knowledge of what management is can help you to be a better employee, because this course can help you to qualify to become a manager, and because it can help you if you become a manager.

**1–3. Is it more important for managers to be efficient or effective? Can you improve both at the same time?**

It is more important for managers to be effective than efficient because even if managers do the wrong things very well, they will not be successful.

No. You really can’t improve both at the same time in the sense that you have to be effective before you can be efficient.

**1–4. Is management ability universal? In other words, can a good manager in one environment (e.g., computers) also be effective in another (e.g., banking)?**

Generally, the answer is yes. Many managers change industries throughout their careers and are effective in more than one industry.

**1–5. Some people say the hard skills (technical, finance, quantitative analysis) are more important for managers than soft skills (interpersonal), and some say the opposite is true. What is your view?**

Although it can make a good debate, it is really hard to say whether one is really more important than the other. A truly good manager has both hard and soft skills; most people don’t progress in management without both.

**1–6. Is your college professor a manager? Why or why not?**

No. College professors are not really managers, even though they do perform the four functions of management. Students are not employees of the college; in essence, students are customers, so your professor is not a manager.

**1–7. When a good employee is promoted to management, which management level is the promotion usually to, and how do the management skills and functions change with the job promotion?**

When an employee is promoted, it is usually to the first-line management position. The employee’s technical skills are still important, but interpersonal skills and decision-making skills become more important as a manager. The nonmanager operative employee performs mostly nonmanagement functions. However, as a manager, the new supervisor will have to spend more time planning, organizing, leading, and controlling.

**1–8. When an employee is promoted to a manager, do most organizations provide some type of training? Should they? Why or why not?**

No. Most organizations don’t provide any training when an employee is promoted to a manager.

Yes. The organization should provide some type of training for the employee. Most successful leaders have had extensive training.

APPLYING THE CONCEPT ANSWERS

*There are similar questions in the test bank in the application section.*

AC 1–1—Management Skills

b 1. Interpersonal. Thanking someone is a form of motivation.

c 2. Decision-making. Scheduling requires the manager to make decisions.

b 3. Interpersonal. Writing an e-mail is a form of communication

a 4. Technical. Running a machine takes technical skills.

c 5. Decision-making. Figuring out a problem takes diagnostic, analytical, and critical-thinking skills.

AC 1–2—Management Functions

c 6. Leading. The manager is trying to influence the employee’s performance.

b 7. Organizing. Job interviewing is part of staffing, which in turn is an organizing function.

e 8. Nonmanagement. The manager is not getting the job done through others.

d 9. Controlling. The manager is monitoring progress to determine if corrective action is needed to meet the shift production goal.

b 10. Organizing. Showing an employee how to use the computer ordering system is a training function, which is part of the organizing function.

AC 1–3—Management Roles

b 11. Informational role. The manager is playing the monitor role by reading to receive information.

a 12. Interpersonal role. The manager is playing the leader role by showing the employee how to fill out the form.

c 13. Decisional role. The manager is playing the negotiator role in discussing the price.

a 14. Interpersonal role. The manager is playing the liaison role—customers are outsiders.

c 15. Decisional role. The manager is playing the entrepreneur role by developing a new meal.

AC 1–4—Differences Among Management Levels

b 16. Middle. Middle managers report to an executive.

c 17. First-line. First-line managers have a greater need for technical skills than do top or middle managers.

a 18. Top. Top managers spend more time planning and organizing than do first-line or middle managers.

c 19. First-line. First-line managers supervise operative employees.

b 20. Middle. Middle managers have a more balanced need for the management skills and functions.

CASE ANSWERS

**Bill Gates: Microsoft and The Bill And Melinda Gates Foundation**

**1–1. Which resources play important roles in the success of Microsoft?**

First, Microsoft needs human resources. People played the most important role in the success of Microsoft, as they are the ones who develop the products. It also takes financial and physical resources for the people to develop, make, and sell its products. Microsoft is also in need of good information, as it is heavily in the information businesses.

**1–2. Give examples of some of the tasks Bill Gates performed while CEO of Microsoft in each of the four management functions.**

Answers will vary.

**1–3. Give examples of some of the tasks Bill Gates performed while CEO of Microsoft in each of the three management roles.**

Answers will vary.

**1–4. Do you think you would like to work for someone like Bill Gates? Explain your answer.**

Answers will vary.

**1–5. Are Bill Gates and Microsoft ethical and socially responsible?**

Answers will vary.

**1–6. Are Bill Gates and the Bill & Melinda Gates Foundation ethical and socially responsible?**

Answers will vary, but most people will agree that it is because social responsibility is the focus of the foundation—as Bill and Melinda want to give back.

SKILL BUILDER IDEAS

**Getting to Know You 1–1**

**Note:** Before doing this exercise, decide if you will use permanent class groups for all exercises. Use of permanent groups was discussed in the introduction to this Instructor’s Manual. If you elect to use permanent groups but have students add or drop the course, you may want to wait a few classes before setting up the groups. You can do this exercise after finishing Chapter 1 or before starting.

I recommend doing this exercise so students can get to know you a little better as a person. Since students don’t usually buy the book before the first class, I just read the exercise to them and write the three question categories on the board during Procedure 3.

*Total Time* (up to 50 minutes)

Times will vary with class size. Select a time limit and allot times for each procedure. Below is a sample time schedule for a 30-minute period.

*Recommended approximate time for a 30-minute period:*

(Remember: Your class may need more or less time for each procedure.)

8:00 Procedure 1 6 minutes

8:06 Procedure 2 6 minutes

8:12 Procedure 3 6 minutes

(I tell students they do not have to have all three types of questions but to focus on what they want to know.)

8:18 Procedure 4 12 minutes

8:30

(I take only one question from a group and go to all groups for Question 1. Then I do the same for Questions 2 and 3. I also tell the class that if they think of other questions to ask as they listen to other groups’ questions, to add the question when I get to their group.)

If your class is slower, you can finish the exercise during the next class. If your class is faster, you can spend more time on the discussion and/or do the Apply It section.

*Procedure 2 Discussion Question Answer*

Most students realize the importance of calling people by name. One technique they can use to help remember people’s names when they first meet them is to address the other party with a greeting that states his or her name, such as “How do you do, Bill?” Then call the person by name two or three times during the conversation. It takes a conscious effort to develop the ability to remember names. If you forget a person’s name after meeting him or her, ask someone who knows the person what the person’s name is. Then address the person by name.

SKILL BUILDER IDEAS

**Comparing Management Skills 1–2**

*Total Time* (5–20 minutes)

Select a length of time and option to use.

Doing Skill Builder 1–2 in Class

Objective

To better understand the importance of good management skills and functions.

Preparation

Students should have completed the preparation comparing good and poor managers, or it could be done in class.

Experience

Have students discuss the characteristics of good and poor managers.

*Procedure* (5–20 minutes)

*Option 1.* As a class, discuss preparation answers to the best and worst manager.

*Option 2.* Break into groups of 4 to 6 and have students discuss their preparation answers to the best and worst manager.

*Option 3.* Same as option 2, but select a spokesperson to briefly share the groups’ answers. All groups report their answers. You or a student may write answers on the board.

SKILL BUILDER IDEAS

**Careers 1–3**

*Total Time* (0–20 minutes)

Select a length of time and option to use.

Doing Skill Builder 1–3 in Class

Objective

To think about your career.

Preparation

Students should have completed the Discussion Questions about career plans.

Experience

Have students discuss their answers to the Discussion Questions in small groups or as a class.

*Procedure* (5–20 minutes)

*Option 1.* As a class, discuss answers to the Discussion Questions.

*Option 2.* Break into groups of 4 to 6 and have students discuss their answers to the Discussion Questions.

*Option 3.* Same as option 2, but select a spokesperson to briefly share the groups’ answers. All groups report their answers. You or a student may write answers on the board.

SKILL BUILDER IDEAS AND ANSWERS

**Management Styles 1–4**

**Note:** This Skill Builder is based on leadership, and you can wait to use it with Chapter 12.

*Total Time* (10–75 minutes)

You may select any time length to spend on this exercise. Do as many situations as you have time for, and give the class the answers to the remaining situations.

The Self-Assessment Your Preferred Management Style section of this Skill Builder asks students to determine their preferred management style by selecting the alternative (a-b-c-d) they would use in the given 12 situations. I begin this exercise by taking a minute or two to make sure all the students who did the preparation understood how to determine their preferred style. It is important to understand that there is no right or wrong style and that it is important to change styles. While the preparation asked students to select the action they would take, in the in-class part of the exercise, they are asked to use the model to determine the most appropriate style for the capability level of employees.

*Recommended approximate time for a 50-minute period:*

(Remember: Your class may need more or less time for each procedure.)

8:00 Go over the Self-Assessment Your Preferred Management Style section to check determination of preferred style. 3 minutes

8:03 Explain how to use management styles Model 1–1 based on the situation. 12 minutes

8:15 *Step 1.* Instructor applies the model to situation 2. 5 minutes

8:20 *Step 2–1.* Students apply the model to situation 3. 8 minutes  
(I teach them how to answer, as it will be on the exam skill-builder part. See the note at the end of exercise on how to use this skill builder on exams.)

8:28 *Step 2–2.* Students apply the model to situations 4 through 6. 7 minutes  
(I tell them that if they have questions as they work, I will go to them and answer their questions. If they are not done, it’s OK; you are going over the answers anyway.)

8:35 *Step 2–2.* Go over the answers. Try not to get sidetracked by debating the 6 minutes recommended answers. (Again, I go over answers in the format I test them on.)

8:41 *Step 2–3.* Students do as many of situations 7 through 12 as time permits. 6 minutes

8:47 *Step 2–3.* Go over answers to situations 7 through 12 (giving quick, simple answers only). 3 minutes

8:50

**Note:** I tell students I will go over all answers. If they have any questions, they should see me after class so we can finish on time. Try not to waste time arguing with students if they disagree with recommended answers. There is room for interpretations. If students can match capability level and management style on the job, they will tend to be successful. On the exams, I give full credit for the best and second-best style (see below for details).

Testing on Skill Builder **1–**4

Five situations similar to the 12 in this exercise are in the Test Bank and in this skill-building section. However, I do not give multiple-choice questions because in the business world, no one will hand managers multiple-choice questions. When I tell students to do situation 3 (procedure step 2–1), I tell them how they will be tested on the exam, and I go over the answer in the four-part format below. Students are not allowed to look at the model during the test; they need to know the model.

A situation will be given (similar to the 12 in preparation for the exercise).

Capability Level:

Management Style:

Behavior to Use:

Action Taken:

On the Capability Level line, the number 1–4 (1 = low capability, 2 = moderate capability, 3 = high capability, 4 = outstanding capability) is placed.

On the Management Style line, the name of the management style (autocratic, consultative, participative, empowering) that is appropriate for the capability is placed.

On the Behavior to Use line, the two dimensions of behavior from the model for the management style are listed (high directive/low supportive, high directive/high supportive, low directive/high supportive, low directive/low supportive).

On the Action Taken line, students write the action they would take in the situation using the management style behavior they selected. Students should write a statement similar to the a-b-c-d alternative given in the 12 situations in the exercise.

Below are the answers for situation 3 in the test style that I use:

**Capability Level:** 4

**Management Style:** Empowering

**Behavior to Use:** Low directive/Low supportive

**Action Taken:** Allow the group to decide the hours. (Note: This is alternative a.)

I also tell students that if they get the second-best alternative, they will be given full credit if they stay consistent. For example, students may put “4” on the Capability Level line, “Participative” on the Management Style line, and “High directive/High supportive” on the Behavior to Use line, which represent three different styles. I take off partial credit for each part that is wrong. The next-best answer is “3,” “Participative,” “Low directive/High supportive,” and “Conduct a meeting to get the group members’ ideas. Select new hours together, with your approval.”

Grading

I generally make the skill builder a 10-point question on the exam. I give 2 points for each of the first three lines and 4 points for the Action Taken line. I give full credit for the best and second-best answers if students stay consistent. I take off 3 or 4 points if they give the wrong answers and stay consistent. If they are not consistent, I take off 5 or 6 points.

Test Questions and Answers (Also found in Test Bank)

1. You’ve been promoted from being an employee in one department to be the supervisor in another department. The supervisor you are replacing did not require the group to do much work. Production is low and has declined in recent months. That is why you got the job. As a situational manager, identify the following:

Capability Level

Management Style

Behavior to Use

Action Taken

Solution

1

Autocratic

High directive/Low supportive

Closely oversee the employees’ work. Be sure that production increases to standard levels.

Second-Best Answer

2

Consultative

High directive/High supportive

Closely oversee the employees’ work as you encourage them to improve performance, and get to know them. Be sure standards are met.

1. As a supervisor, you want to improve performance in your department. You have asked your employees to think of ways to improve the department. However, you don’t expect many good ideas because in the past the group has not been very interested or enthusiastic in participating in decision making. You have some good ideas. As a situational manager, identify the following:

Capability Level

Management Style

Behavior to Use

Action Taken

Solution

2

Consultative

High directive/High supportive

Encouragingly ask the members for their ideas. After they are finished, present your ideas and sell them on the benefits of implementing them.

Second-Best Answer

3

Participative

Low directive/High supportive

Encouragingly ask the members for their ideas. Do not directly give your own ideas. Instead, give some of your information and let them come to conclusions so that they feel as though the ideas are theirs rather than yours.

1. As a supervisor, you spend little time telling employees what to do and most of the time encouraging them to do a good job. However, at the present time, your employees have fallen behind schedule on an important project due soon. As a situational manager, identify the following:

Capability Level

Management Style

Behavior to Use

Action Taken

Solution

2

Consultative

High directive/High supportive

Oversee the employees to be sure that the deadline is met as you continue to encourage them.

Second-Best Answer

3

Participative

Low directive/High supportive

Continue to encourage the employees and use more directives than usual to meet the deadline.

1. You are discussing the delegation of a new task to one of your best employees, Pete. However, Pete is hesitant to take on the new assignment. You are confident he can do it on his own. As a situational manager, identify the following:

Capability Level

Management Style

Behavior to Use

Action Taken

Solution

3

Participative

Low directive/High supportive

Encouragingly ask Pete what the best way is to do the task. Build up his confidence as you discuss the delegation.

Second-Best Answer

2

Consultative

High directive/High supportive

Tell Pete how to do the delegation as you encourage him to do it.

1. You have an employee, Jean, who does an excellent job on her own. You believe the job is boring to Jean because it is too easy for her. Therefore, you have decided to delegate one of three assignments to her, but you’re not sure which one she will like best. As a situational manager, identify the following:

Capability Level

Management Style

Behavior to Use

Action Taken

Solution

4

Empowering

Low directive/Low supportive

Explain the three tasks and let Jean select the one she wants to do.

Second-Best Answer

3

Participative

Low directive/High supportive

Tell Jean what the three tasks are and together supportively decide which task she should do.

\*Do feel free to make up your situations and even your own test format.

Answers/Scoring for Situations 1–12

The higher the points, the more effective the style would be in that situation. The 3-point answer is the most appropriate for the situation, followed by the 2-point answer. 1- and 0-point answers are generally not good selections because they will not result in desired outcomes.

|  |  |  |  |
| --- | --- | --- | --- |
| Situation | Capability Level | Management Styles | Points 3 |
| 1 | 2 | a. S4 Empowerment  b. S2 Consultative  c. S1 Autocratic  d. S3 Participative | 0  3\*  2  1 |
| 2 | 1 | a. S2C  b. S1A  c. S4E  d. S3P | 2  3\*  0  1 |
| 3 | 4 | a. S4E  b. S2C  c. S3P  d. S1A | 3\*  1  2  0 |
| 4 | 1 | a. S2C  b. S4E  c. S1A  d. S3P | 2  0  3\*  1 |
| 5 | 3 | a. S1A  b. S3P  c. S4E  d. S2C | 0  3\*  2  1 |
| 6 | 4 | a. S4E  b. S3P  c. S2C  d. S1A | 3\*  2  1  0 |
| 7 | 3 | a. S2C  b. S4E  c. S3P  d. S1A | 2  1  3\*  0 |
| 8 | 2 | a. S3P  b. S1A  c. S4E  d. S2C | 2  1  0  3\* |
| 9 | 4 | a. S3P  b. S2C  c. S4E  d. S1A | 2  1  3\*  0 |
| 10 | 3 | a. S1A  b. S4E  c. S2C  d. S3P | 0  1  2  3\* |
| 11 | 1 | a. S1A  b. S3P  c. S2C  d. S4E | 3\*  1  2  0 |
| 12 | 2 | a. S4E  b. S1A  c. S2C  d. S3P | 0  2  3\*  1 |