

CHAPTER 1

Managing and Performing

CHAPTER CONTENTS

Learning Objectives	1-2
Chapter Outline	1-2
Chapter Resources	1-3
Key Student Questions	1-3
Class Roadmap	1-5
Bottom Line	1-20
Spotlight On . . .	1-21
Lecturettes	1-23
Discussion Questions	1-29
Experiential Exercises	1-35
Concluding Case	1-40
Appendices	1-42

LEARNING OBJECTIVES

- 1.1 Summarize the major challenges of managing in the new competitive landscape.
- 1.2 Describe the sources of competitive advantage for a company.
- 1.3 Explain how the functions of management are evolving in today's business environment.
- 1.4 Compare how the nature of management varies at different organizational levels.
- 1.5 Define the skills you need to be an effective manager.
- 1.6 Understand the principles that will help you manage your career.

CHAPTER OUTLINE

Managing in a Competitive World

- Globalization
- Technological Change
- Knowledge Management
- Collaboration

Managing for Competitive Advantage

- Innovation
- Quality
- Service
- Speed
- Cost Competitiveness
- Sustainability
- Delivering All Types of Performance

The Functions of Management

- Planning: Delivering Strategic Value
- Organizing: Building a Dynamic Organization
- Leading: Mobilizing People
- Controlling: Learning and Changing
- Performing All Four Management Functions

Management Levels and Skills

- Top-Level Managers
- Middle-Level Managers
- Frontline Managers
- Working Leaders with Broad Responsibilities
- Must-Have Management Skills

You and Your Career

- Be Both a Specialist and a Generalist
- Be Self-Reliant
- Connect with People
- Actively Manage Your Relationship with Your Organization
- Survive and Thrive

CHAPTER RESOURCES

Experiential Exercises 1.1 Your Personal Network 1.2 Are You an Effective Manager? 1.3 Career Skills Development	Concluding Case A New Manager at USA Hospital Supply	Spotlight On . . . Business for the Better Management in Action Lynsi Snyder: Managing In-N-Out to Success (Manager's Brief) Planning and Control at In-N-Out (Progress Report) Lynsi Snyder: Organizing for Efficiency (Onward)	Lecturettes 1.1: An Analysis of United States vs. Japanese Management 1.2: An Examination of Managerial Roles
Connect® Video Cases Fair Oaks Farms	Connect® iSeeit! Video Case The Hawthorne Studies	Connect® Click and Drag The Four Functions of Management at Trader Joe's	Connect® Case Analysis Likely to Succeed as an Executive?
Connect® Application-Based Activity THE MANAGEMENT GAME: FUNCTIONS, SKILLS, LEVELS, AND ROLES You've earned a coveted summer internship at Thriller Games. Part of your internship is observing what managers at this world-famous organization do and how they work together to develop some of the most thrilling video games on the planet! Are you ready to play this exciting management game?			

KEY STUDENT QUESTIONS

Students who enroll in an introductory management course typically have two primary questions:

1. *“What makes a “good” manager?”*
2. *“How can I apply the material we learn in this class to my daily life?”*

How you answer these questions depends on your teaching style and the tone you want to set for the class.

- To increase class involvement, ask two or three students to describe the best managers they have ever known. Capture what the students say, and then ask the class to tell you what similarities and differences they hear in the stories.
- Link the similarities to the skills needed for planning, organizing, leading and controlling, and then discuss the differences regarding leadership style and the flexibility leaders need to react differently to different situations. It is important to let students know that there is not a single set of skills or guidelines to become a “good” manager. The best managers are the ones who have a wide range of skills which they apply in different situations. Then ask students to describe situations they have encountered recently where they needed to use planning, organizing, leading and/or controlling.
- Based on the discussion, help students to see that the best way for them to apply the material is to think about how to use each concept in their own lives. One useful analogy here is to compare technical, interpersonal, and conceptual skills to different types of tools. Not every tool is right for every person, and not every tool is right for every task, but the more tools you have in a toolbox, the more likely it is that you will be able to get the job done effectively.
- To help engage your class in discussion, start the class by saying, “This is your first day as a manager.” Explain that whenever anyone creates a “to do” list, he or she are planning, whenever anyone tries to persuade someone else to do something they are leading, whenever anyone plans their day in the morning they are organizing, and whenever anyone balances a checkbook, he or she are controlling. Go on to explain that just as people have different styles of writing “to do” lists and keeping track of their schedules, managers use different styles of management. However, certain key skills have emerged and that the purpose of the class is to help students learn these skills.

Teaching Tip

The first day of class sets the tone for the rest of the quarter. If at all possible, I try to do three things on the first day of class:

1. Go over the class syllabus (which helps the students understand my expectations for the class).
2. Find out about your students—what are their majors, hobbies, and future goals?
3. Cover introductory material from Chapter 1 of the text (usually managerial skills, levels of management, etc.) By starting to lecture and discuss material on the first day of class, you convey your excitement about the subject matter, and you help your students become more excited about it, too.

[Return to Chapter Resources](#)

CLASS ROADMAP

The Class Roadmap gives Learning Objectives at appropriate places and lists PowerPoint. The boxes Management in Action are addressed. Teaching Tips and additional examples are presented and Connect® activities are also given to enhance class instruction.

POWERPOINTS

Slide 2 Learning Objectives

Slide 3 Managing in a Competitive World

MANAGEMENT IN ACTION

LYNSI SNYDER: MANAGING IN-N-OUT TO SUCCESS

Manager's Brief

Lynsi Snyder the CEO of In-N-Out Burger is profiled in this Management in Action. She has exemplified what the best managers do: lead, plan, organize, and control, helping employees to reach their full potential. Doing these things well has put Snyder in the company of the best CEOs in the United States and In-N-Out Burger ranked in the United States as one of the best places to work.

The past ten years have seen In-N-Out Burger expand to over 300 stores. Snyder can take credit for creating the kind of company employees enjoy working for, by offering strong job-training programs and good benefits, as well as paying them 25% more than other fast-food companies.

This Management in Action Manager's Brief is followed by the Progress Report with Discussion Questions, and an Onward, also with Discussion Questions.

POWERPOINTS

Slide 4 Management in Action: Lynsi Snyder Managing In-N-Out to Success

Slide 5 Globalization

Slide 6 Technological Change

Slide 7 Spotlight On . . . Generative AI

Slide 8 Knowledge Management

Slide 9 Collaboration

[Return to Chapter Resources](#)

LO 1.1: Summarize the major challenges of managing in the new competitive landscape.

I. MANAGING IN A COMPETITIVE WORLD

A. Globalization

1. Business leaders recognize that the change from a local to a global marketplace is gaining momentum and it is irreversible.
2. Whereas U.S. companies used to dominate, today the most admired companies come from countries around the world such as Switzerland-based Nestlé, Japan's Toyota Motor, and Ireland's Accenture was the most admired provider of information technology services.
3. Many companies are seeing exponential growth in markets outside the United States and are drawing their talent from many countries.
4. Today, business schools must encourage students to explore the global market, not just their own region or community.

Example 1.1. Technological Change

In today's world, communications rarely take place via letters or faxes; email and text messaging are the order of the day. But with more efficient delivery systems also come problems. The U.S. government has implemented Federal Rules of Civil Procedure that require companies to save all electronic communications for up to seven years. Of even more concern, at least to some banks, is being sure that as much care is being given to data destruction as it is to data retention. For example, UBS, a large investment bank, was fined \$29 million after losing a lawsuit that centered on deleted, then recovered, emails.¹

B. Technological Change

1. Online customer engagement, artificial intelligence and machine learning, data protection and privacy, and 5G are examples of technologies that are having a significant impact on business.
2. Technology creates new opportunities (e.g., artificial intelligence) and also brings new complications, such as how to use technology in an ethical and responsible manner.
3. Biology-based innovations will change the way we eat, dress, and produce goods.
4. As the digital frontier expands, technology will adapt to people rather than the other way around as in the past.

[Return to Chapter Resources](#)

¹ Sausner, Rebecca. "Bank's New Quandry: Retain or Destroy?" *U.S. Banker*. New York: Oct. 2006, Vol. 116, Iss. 10, pg. 18.

Example 1.2. Innovation

The most innovative companies are those that envision more than just the product itself. For example, Zipcar has been recognized for its innovation across six different areas: 1) a profit model that lets customers rent by the hour, 2) a simple process that allows customers access via a swipe card, 3) the use of mobile apps to aid in locating and renting cars, 4) branding catering to environmentally conscious drivers, 5) strategies to increase customer engagement such as naming cars, and 6) improving product performance by bundling charges.²

C. Knowledge Management

1. A significant amount of growth and opportunities in advanced industrialized economies is in industries such as software, consulting, etc. that rely on creating and managing intellectual assets. That is, leveraging the knowledge of workers to drive innovations.
2. **Knowledge management** is the set of practices aimed at discovering and harnessing an organization's intellectual resources.
3. Effective managers are needed who can find the right kinds of knowledge workers and then lead, motivate, and support them as they generate new ideas that can help companies discover new breakthrough products and services that satisfy consumers' tastes.

D. Collaboration across "Boundaries"

1. Effective collaboration requires productive communications between different departments, divisions, or other subunits of the organization.
2. Companies today also must motivate and capitalize on the ideas of people outside the traditional company boundaries.
 - a. Getting customers more involved in company decisions.
 - b. Keeping customers engaged via creative thinking and talking with one another online to come up with new product and service ideas.
3. Knowledge management is about finding, unlocking, sharing, and altogether capitalizing on the most precious resources of an organization.
 - a. Workers' Expertise
 - b. Job Skills
 - c. Wisdom
 - d. Relationships

[Return to Chapter Resources](#)

² [Keeley](#), Larry; Quinn, Brian; Pikkell, Ryan; and Walters, Helen. "The Science of Innovation" *Businessweek*. 5/7/2013. Retrieved from www.businessweek.com

INCLUSIVENESS WORKS

Move Over Boomers, Here Comes the Next Generation of Leaders

The workforce is changing rapidly. A large number of Baby Boomers (born from 1946–64) will be exiting the workforce over the next 15 years. An important consideration is that before Gen Xers and Millennials can assume higher-level positions in businesses, schools, government agencies, and nonprofits, organizational knowledge must be transferred from senior management to the less-experienced Gen Xers and Millennial employees.

Teaching Tip

Ask students to identify a time that they shared feedback with a company about its products, whether through online product ratings or reviews, in person, via email, etc. Then ask students to report whether they thought their feedback was actually used to improve the company's products or services.

II. MANAGING FOR COMPETITIVE ADVANTAGE

POWERPOINTS

Slide 10 Managing for Competitive Advantage

Slide 11 Managing for Competitive Advantage: Innovation

Slide 12 Managing for Competitive Advantage: Quality

Slide 13 Managing for Competitive Advantage: Service and Speed

Slide 14 Managing for Competitive Advantage: Cost and Sustainability

Slide 15 Exhibit 1.1 Staying Ahead of the Competition

LO 1.2: Describe the sources of competitive advantage for a company.

- Transformational Industries
 - In the early Internet years, many took risks to join Internet start-ups or to start their own.
 - One hundred years ago, the early automobile industry had a similar transforming power.
- To survive in business, you must gain an advantage over your competitors and sustain that advantage over time.
- To succeed, winners must deliver performance.

[Return to Chapter Resources](#)

- Fundamental drivers of competitive advantage and bottom-line performance are:
 - Innovation,
 - Quality
 - Service
 - Speed
 - Cost Competitiveness
 - Sustainability

A. Innovation

1. Innovation is the introduction of new goods and services.
2. Your company must innovate or die.
3. The need for innovation is driven by globalization.
4. Innovation comes from people.
5. Innovation must be a strategic goal.
6. Innovation must be managed properly.

Example 1.3. Leading

Are “Generation Y” employees really that much different in their motivational needs than Baby Boomers or Generation X employees? Andrea S. Hershatter, the director of the undergraduate business program at Emory University, thinks so. She believes that Gen Y employees need more direction from their employers because they dislike ambiguity and risk. At the same time, she says “. . . they feel entitled to have others support them in their efforts to accomplish and achieve.”³

B. Quality

1. **Quality** is the excellence of a product, including its attractiveness, lack of defects, and dependability.
2. Total quality includes *preventing* defects before they occur, *achieving zero defects* in manufacturing, and *designing* products for quality.
3. Quality is provided by customizing goods and services to the wishes of the individual customer.
4. Quality can be measured in terms of product performance, customer service, reliability (avoidance of failure or breakdowns), conformance to standards, durability, and aesthetics.

C. Service

1. **Service** means giving customers what they want or need when they want it—Get more customers.
2. Amazon, Walmart, Target, Apple, and Chick-fil-A were the five top-rated companies for service in Forbes 2023 rankings.

[Return to Chapter Resources](#)

³ Gerdes, Lindsey, “What’s Different About the Ys”. *Business Week*, 9/24/2007, Iss. 4051, pg 56.

3. Service is focused on continually meeting the needs of customers to establish mutually beneficial long-term relationships.
4. An important dimension of service quality is making it easy and enjoyable for customers to experience a service or to buy and use products.

D. Speed

1. **Speed** involves rapid execution, response, and delivery of results. It often separates the winners from the losers.
2. Speed is not everything—you cannot get sloppy in your drive to be first.
3. All things being equal, fast-moving companies are more likely to be winners. For some companies, speed has become a strategic imperative.

E. Cost Competitiveness

1. **Cost competitiveness** means keeping costs low enough so that the company can realize profits and price its products at levels that are attractive to consumers.
2. Managing costs and keeping them low requires efficiency—accomplishing goals by using resources wisely and minimizing waste.
3. Customers' use of the Internet for easy cost comparisons highlights the need for companies also to be mindful of pricing.

F. Sustainability

1. **Sustainability** is the effort to minimize the use of resources, especially those that are polluting and nonrenewable.
2. Many companies have discovered that addressing sustainability issues often produces bottom-line benefits.
3. In this text, we emphasize a long-term perspective on sustaining the natural environment and building tomorrow's business opportunities while effectively managing today's business.
4. Sustainability is focused on protecting our options to live and work in ways that can be managed over generations without depleting or harming our resources.

G. Delivering All Types of Performance

1. The six sources of competitive advantage are innovation, quality, service, speed, cost effectiveness, and sustainability.
2. The best managers and companies don't pay attention to just one competitive advantage—they deliver all six of them.
3. Some trade-offs will occur among the six sources of competitive advantage.

[Return to Chapter Resources](#)

III. THE FUNCTIONS OF MANAGEMENT

POWERPOINTS

Slide 16 The Functions of Management

Slide 17 The Four Functions of Management

Slide 18 Spotlight On . . . Business for the Better

Slide 19 Performing All Four Management Functions

Slide 20 Management in Action: Planning and Control at In-N-Out

LO 1.3: Explain how the functions of management are evolving in today's business environment.

- **Management** is the process of working with people and resources to accomplish organizational goals.
 - *Effectiveness* is about achieving organizational goals.
 - *Efficiency* is about achieving goals with minimal waste of resources.
- The fundamentals of management include the four traditional functions of management:
 - *Planning*
 - *Organizing*
 - *Leading*
 - *Controlling*

CONNECT®

Click and Drag: The Four Functions of Management at Trader Joe's

SUMMARY

In the business world today, the great executives not only adapt to changing conditions but also apply—fanatically, rigorously, consistently, and with discipline—the fundamental management principles. These principles remain as relevant as ever, but their form has evolved.

ACTIVITY

In this click-and-drag exercise, students learn about Trader Joe's, an upscale specialty supermarket chain. As they read the mini case, they are directed to keep an eye out for evidence of each of the four functions of management: planning, organizing, leading, and controlling.

CLASS DISCUSSION IDEAS

The instructor may wish to ask if the functions would apply in the same way to a company such as Walmart. How might the four functions apply to a college?

[Return to Chapter Resources](#)

A. Planning: Delivering Strategic Value

1. **Planning** is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals.
2. Planning activities include analyzing current situations, anticipating the future, determining objectives, deciding the types of activities in which the company will engage, choosing corporate and business strategies, and determining the resources needed to achieve the organization's goals.
3. Delivering strategic value is a continual process of identifying opportunities to create, seize, strengthen, and sustain competitive advantage.
4. Effectively creating value requires fully considering a new and changing set of stakeholders and issues, including the government, the natural environment, globalization, and the dynamic economy.

B. Organizing: Building a Dynamic Organization

1. **Organizing** is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals.
2. Organizing activities include attracting people to the organization, specifying job responsibilities, grouping jobs into work units, marshaling and allocating resources, and creating conditions so that people and things work together to achieve maximum success.

C. Leading: Mobilizing People

1. **Leading** is stimulating people to be high performers.
2. Leading includes motivating and communicating with employees, individually and in groups.
3. Leading involves close day-to-day contact with people to guide and inspire them to achieve organizational goals.

D. Controlling: Learning and Changing

1. **Controlling** monitors progress and implements the necessary changes.
2. Makes sure that organizational goals are met, and resources are used as planned.
3. The four management functions of planning, organizing, leading, and controlling apply to managers on a personal level as well.

E. Performing All Four Management Functions

1. Most managers have to perform all four management functions more or less simultaneously.
2. Although managers may have greater skill in performing one or two of the management functions, it is important that they become competent in all areas.

[Return to Chapter Resources](#)

MANAGEMENT IN ACTION

PLANNING AND CONTROL AT IN-N-OUT

Progress Report

Summary

This case describes how CEO Lynssi Snyder addresses the planning and controlling functions in running In-n-Out Burger. Specifically, Snyder maintains a strong focus on its core values and operating principles to ensure that it makes the highest quality burgers using the finest ingredients. The company has never used frozen beef nor does it use microwaves or heat lamps with any of its food items. She has also avoided trying to grow too quickly as she felt that this would undermine the quality of their burgers. She has also kept the company private rather than going the route of having franchises in order to better control quality. As a result, the average In-N-Out location generates twice as much revenue as a typical McDonald's and achieves a 20% profit margin, which is much higher than most of its competitors.

Discussion Questions

- **In what ways do you think Snyder's planning and control efforts affect its strategy and Success?**

Sample answer:

Student answers will vary. Snyder's planning and control focus ensures that the company continues to do things the way it always has by using the best ingredients and not skimping on quality. This has helped In-N-Out Burger to differentiate itself from other competitors and to carve out a strong niche for itself with customers.

- **If you were a restaurant owner, would you be interested in applying for an In-N-Out Burger franchise? Why or why not?**

Sample answer:

Student answers will vary. some people may be interested in in-n-out burger because it is not just another burger restaurant—it is special in what it does and how it does it. in addition, their business model emphasizes creating a great work environment and invests in employees through training and competitive pay practices. other students may still view in-n-out burger as just another burger joint and that is not particularly exciting or world changing for them.

[Return to Chapter Resources](#)

IV. MANAGEMENT LEVELS AND SKILLS

POWERPOINTS

Slide 21 Management Levels and Skills

Slide 22 Exhibit 1.2 Managerial Roles: What Managers Do

Slide 23 Must-Have Management Skills

LO 1.4: Compare how the nature of management varies at different organizational levels.

A. Top-Level Managers

1. **Top-level managers** are senior executives of an organization and are responsible for its overall management.
2. Referred to as *strategic managers*, they focus on long-term issues and emphasize:
 - a. Survival of the organization
 - b. Growth of the organization
 - c. Overall effectiveness of the organization
3. The chief executive officer (CEO) is one type of top-level manager.
4. Some other top-level managers include the:
 - a. COO: chief operating officer
 - b. CIO: chief information officer
 - c. CFO: chief financial officer
5. Top managers are not only strategic architects but also true organizational leaders.

Example 1.4. Top-level managers

It used to be that top-level management was the purview of white males. However, times are changing, and even though minorities and women still face glass ceilings, they are also breaking through to the executive suite. In 2012, Marissa Mayer assumed the role of CEO of Yahoo and, at age 37, also became the youngest CEO of a Fortune 500 company. One of her first actions was a controversial decision to ban telecommuting at Yahoo. Defending her decision, Mayer stated, “To become the absolute best place to work, communication and collaboration will be important, so we need to be working side-by-side.”⁴

[Return to Chapter Resources](#)

⁴ Goudreau, Jenna, “Back to the Stone Age? New Yahoo CEO Marissa Mayer Bans Working from Home.” *Forbes*, 2/25/2013 Retrieved from www.forbes.com

B. Middle-Level Managers

1. **Middle-level managers** are located in the organization's hierarchy below top-level management and above frontline managers.
2. Middle managers are closer than top managers to day-to-day operations, customers, frontline managers, suppliers, and employees—so they have a working knowledge of problems and opportunities.
3. Good middle managers provide the operating skills and practical problem solving that keep the company working.

C. Frontline Managers

1. **Frontline managers** or **operational managers** are lower-level managers who supervise the operations of the organization. Titles may include *supervisor* or *team leader*.
2. They are charged with implementing the plans developed by the middle managers.
3. This is often a person's first management position.
4. They are crucial to creating and sustaining quality operations in support of company strategy.
5. They are drivers of financial performance.

D. Working Leaders with Broad Responsibilities

1. Complete businesspeople
2. Knowledge of all business functions
3. Accountable for results
4. Focus on serving customers both inside and outside their firms
5. The best managers focus on two key areas:
 - a. Relationships with people
 - b. Achieving results

Connect®

iSeeit! Animated Video: The Hawthorne Studies

SUMMARY

The animated video explains the Hawthorne series of studies: Illumination Experiment, Relay Assembly Room Study, and the Bank Wiring Room Study which highlighted conflict, coordination, and group pressures in work.

ACTIVITY

The animation is followed by four multiple-choice questions.

[Return to Chapter Resources](#)

LO 1.5: Define the skills you need to be an effective manager.

A. Must-Have Management Skills

1. Managers need a variety of skills to do things well.
 - a. Performing management functions and roles
 - b. Achieving competitive advantage
2. Three critical management skills are: technical, conceptual, and decision, and interpersonal and communication.
3. Technical
 - a. A **technical skill** is the ability to perform a specialized task that involves a certain method or process.
4. Conceptual and Decision
 - a. **Conceptual and decision skills** involve the manager's ability to identify and resolve problems for the benefit of the organization and everyone concerned.
5. Interpersonal and Communication
 - a. **Interpersonal and communication skills** influence the manager's ability to work well with people. These are often called *people skills*.

CONNECT®

Case Analysis: Likely to Succeed as an Executive?

SUMMARY

This Case Analysis allows students to identify the characteristics it takes to be a successful manager. Students will read and analyze the case to determine Isabel McDonald's working style.

FOLLOW-UP ACTIVITY:

The instructor might expand on the concepts from the case analysis by having students discuss the specific managerial skills they can identify in the places they work or have worked. Students can identify a manager from their workplace and identify work activities the manager performs on a daily or weekly basis. What are the skills necessary for successful completion of the work activity? This follow-up can be done individually or collaboratively in small groups.

Example 1.5. Interpersonal and communication skills

PricewaterhouseCoopers releases an annual report on "Annual and Long-Term Incentives." The report covers how top companies reward their employees. Interestingly enough, the 2007 report shows that companies are moving away from incentives based only on financial measures and are now rewarding top executives on things like people management skills as well. This shows the importance of interpersonal and communication skills for the practicing manager.⁵

[Return to Chapter Resources](#)

⁵ Phillips, Lucy. "It Starts to Add Up." *People Management*. 9/6/2007, Vol. 13, Issue 18, pg. 17.

V. YOU AND YOUR CAREER

POWERPOINTS

Slide 24 Career Advice from the Experts

Slide 25 You and Your Career

Slide 26 Exhibit 1.4 Two Relationships: Which Will You Choose?

Slide 27 Exhibit 1.5 Managerial Action Is Your Opportunity to Contribute

Slide 28 Common Practices of Successful Executives

Slide 29 Management in Action Lynsi Snyder: Organizing for Efficiency

Slide 30 In Review

LO 1.6: Describe the principles that will help you manage your career.

- **Managers** are responsible for the work of an entire group of people. One way of looking at it is that managers are much like conductors who coordinate the efforts of an entire orchestra.
 - A key human skill is *emotional intelligence*—the skill of understanding yourself, managing your behavior and attitudes, making good decisions, using self-control, and dealing effectively with others.
 - *Empathy* is one of the most important EQ skills for good managers.

A. Be Both a Specialist and a Generalist

1. To become a specialist: you must be an expert in something—have specific skills that provide value to your firm and customers.
2. To be a generalist: know enough about a variety of business or technical disciplines—think strategically and work with different perspectives.

B. Be Self-Reliant

1. Take full responsibility for yourself, your actions, and your career.
2. Find new ways to improve your overall performance.
3. Be an innovator.
4. Success requires more than talent; you also have to be willing to work hard.
5. Pursue continuous improvement and lifelong learning.

Teaching Tip

This is a good point in the lecture to tell your students about your university's career development center if you have one. Most students are unaware that they can get free testing for career aptitude and interests, and that the university offers job postings and a variety of classes designed to help students get jobs in a central location.

[Return to Chapter Resources](#)

C. Connect with People

1. Have many good working relationships and be a team player with strong interpersonal skills.
2. ***Social capital*** is the goodwill stemming from your social relationships. It can be used to aid career success, compensation, teamwork, and relationships with suppliers and others.
3. Today social capital is often tapped online via social networking sites.

D. Actively Manage Your Relationships with Your Organization

1. Managerial action is your opportunity to contribute.
 - a. Utilize human skills
 - b. Deliver strategic value
 - c. Build a dynamic organization
 - d. Mobilize people
 - e. Learn and change

E. Survive and Thrive

1. Successful executives share some common practices.
 - a. They ask, “What needs to be done?”
 - b. They write an action plan.
 - c. They take responsibility for decisions.
 - d. They focus on opportunities rather than problems.

CONNECT®
Fair Oaks Farms

SUMMARY

Fair Oaks Farms, which is located in Fair Oaks, Indiana, is Mike and Sue McCloskey’s flagship farm. It includes a dairy-based company, Fairlife, which produces ultra-filtered, nutrient-dense, lactose-free cow milk with reduced sugars and high levels of natural protein and calcium, and a host of other products, including Core Power protein shakes, Fairlife Smart Shakes, and Fairlife YUP!.

FOLLOW-UP ACTIVITY:

Students can be put into groups of 3 to 4 and asked to describe how Fair Oaks Farms overcomes a number of the challenges to being an effective manager. Each group can then share one or two of their thoughts with the class as a whole and instructor can facilitate.

[Return to Chapter Resources](#)

Example 1.6. Survive and Thrive

In his book *The One Thing You Need to Know about Great Managing, Great Leading, and Sustained Individual Success*, Marcus Buckingham discusses what leaders of companies such as Walgreens and Best Buy have to say about the art of leadership. He outlines six core concepts that help people become great leaders: 1) Leaders rally people toward a better future; 2) Leaders use their clarity about the future to turn anxiety into confidence; 3) Leaders know whom they serve; 4) Leaders know why they are going to win; 5) Leaders identify one key measure to use as a “core score”; and 6) Leaders act—they do things that are both symbolic and systemic. For example, one of Rudy Giuliani’s first actions as the mayor of New York was to rid the streets of “squeegee men” who demanded money for cleaning windshields. His actions were symbolic—intended to tell New Yorkers that Giuliani was serious when he talked about a better quality of life for them.⁶

MANAGEMENT IN ACTION

LYNSI SNYDER: ORGANIZING FOR EFFICIENCY

Onward

This case describes how Lynsi Snyder, CEO of In-N-Out Burger, has made the company a success based on her discipline and commitment to maintaining the original concept and approach that was used to start the company. While she wants to grow the company, in the future, she does so in a slow and methodical manner, helping her locations to be more profitable.

- **You’ll learn much more about efficiency and organization in this book. What are your initial thoughts—why does efficiency require effective organization?**

Sample answer: If an organization does not have effective structures, processes and systems, then it will create bottlenecks in operations and food production, lowering food quality and taste which will result in a negative customer reaction. This in turn will make it less likely that customers will return to the restaurant which will reduce sales and ultimately, profits.

- **Based on what you know about Snyder, what do you think of her as a manager? Would you want to work for her? Why or why not?**

Student answers may vary. Some students will most likely have a positive impression of Snyder because of her leadership, passion, discipline, and commitment to quality as well as the well-being of her employees. Other students may argue that workers’ hourly pay should be even

[Return to Chapter Resources](#)

⁶ Breen, B., “The Clear Leader”, *Fast Company*, March 2005, pp. 65-67.

higher than what they are currently receiving even though it is 25% higher than the industry average.

BOTTOM LINE

Which two or more of these advantages do you think it would be hardest to deliver at the same time—and most importantly, why?

This opinion question aims to get students thinking about the challenges of being a real-world manager today. Combinations of objectives have traditionally forced managers to make trade-offs are quality vs. speed and cost vs. innovation, quality, service, or sustainability. Students may see other trade-offs as well. Future chapters will show how innovative companies are using creative thinking to make these goals work together, rather than compete. For example, many sustainability efforts can reduce costs, and improve the quality of work processes can get innovative products to the market faster.

Imagine you're in your first management job, supervising a team. What would be your natural tendency? Which performance measures would you focus on, and why? How can you be sure to pay attention to the others?

Today's managers are expected to deliver on all six performance measures. To be successful even in one's first management job requires consideration of innovation, quality, service, speed, cost competitiveness, and sustainability.

To encourage visitors to your LinkedIn profile to think of you as a future manager, what kind of skills and experiences that suggest you have good interpersonal and team leadership skills?

Any information or posts that conflict with the kind of person who would be an effective manager would not belong on the profile of a would-be manager. To function effectively in today's world, students must develop their ability to distinguish between content that is social and fun and content that is awkward and inappropriate. They also must be aware that the boundaries between what is private and what is public online are not always as clear and firm as they might seem at first impression. Skills and experiences as well as students' reasoning will differ.

[Return to Chapter Resources](#)

SPOTLIGHT ON . . .

SPOTLIGHT ON . . . GENERATIVE AI

Case Summary

In November 2022, a nonprofit AI research company named OpenAI unveiled ChatGPT which created a new era for generative AI. ChatGPT will have many applications in business that will literally transform the business environment. Some experts estimate that generative AI could add 7% to global GDP in the next decade. Although generative AI holds great promise and seemingly unlimited potential, there are risks associated with it in terms of it being used in unethical ways. Consequently, business leaders will need to be vigilant in providing close oversight of the use of generative AI and foster business cultures that emphasize ethics and integrity.

Discussion Questions

- 1. In the long term, do you believe that the emergence of generative AI will have an overall positive impact on business? Society? Why?**

Answers will vary depending on the student. Some may argue that generative AI will be mostly a good thing as it could perform a lot of the lower-level tasks and jobs that humans dislike doing or cannot do because of safety concerns. Others may argue that generative AI blurs the line between humans and machines and could therefore be used for unethical or illegal activities such as creating misinformation and deepfakes, identity theft, and bias and discrimination.

- 2. Do you think that generative AI will create a massive loss of jobs in the future as it learns how to think and behave like humans for many tasks and activities? Why?**

Again, answers will vary based on the student. However, the reality is that generative AI is already, and will continue, to replace human workers with machines for jobs such as customer service, analytical roles, manufacturing jobs, graphic designers, financial analysts, accountants, translators, and retail workers.

[Return to Chapter Resources](#)

SPOTLIGHT ON . . . BUSINESS FOR THE BETTER

Case Summary

This case study describes the concept of social entrepreneurship and how Bill Drayton, the founder of the movement created a company called Ashoka in 1981. Drayton's vision for Ashoka was to help support other social entrepreneurs who aspired to change the world on a variety of issues ranging from mental health to sustainability, and social justice.

Discussion Questions

1. Should every manager have the responsibility to do good and do well? Why or why not?

Student answers may vary widely. The job of a manager is to engage in planning, organizing, directing, and controlling in order to achieve the goals of an organization. While some organizations have goals that relate to “doing good,” not all do. A manager is not necessarily “doing bad” if he/she is helping an organization pursue traditional business objectives such as sales and profits. A manager needs to do good in terms of how he/she engages in the functions of management in order to be responsible and ethical in the use of resources and the treatment of people and other stakeholders in the process.

2. Drayton argues that anyone can be a social entrepreneur. What sort of problems would you wish to solve?

Student answers will vary widely. Many students are interested in businesses that focus on sustainability and the environment. Others are interested in wellness and work–life balance. And others may be interested in social justice, diversity, equity, and inclusion.

[Return to Chapter Resources](#)

LECTURETTES

LECTURETTE 1.1: An Analysis of United States vs. Japanese Management

Research that compared the American style of management to the Japanese style of management shows that they are clearly separate and distinct styles.

As an example, the co-founder of Honda Motor Company, T. Fujisawa, observed that “Japanese and American managers are 95 percent the same and differ in all important aspects.” On the one hand, managers must cope with the same challenges and opportunities—irrespective of whether they are operating in Tokyo or Los Angeles. However, in five critical areas, the business environment is very different.

NATIONAL CULTURE

The American worker usually perceives the job (even a good job) as primarily a means to an end: a source of funds through which one enjoys life off the job. The American individualistic values run contrary to the corporate workgroup. The “Go west, young man” worker mobility work ethic in America limits company loyalty and long-term employment commitments on the part of the employee.

However, the Japanese culture places extraordinary pressures on one’s obligations—especially those from above. Obligations are inherited at birth and enlarged through education and career. They result in fierce loyalty to one’s employer and one’s country. As a nation, the Japanese enjoy an amazing sense of purpose and are highly disciplined to fulfill these obligations. In Japan, it is said that the job is society, and society is the job. Every Japanese person who joins a company shares equally in it. It is likely that their friends work for the same company.

THE WORKFORCE

Japanese workers cooperate for the good of the organization, avoiding individual recognition in favor of the group, corporate, and national accomplishments. The American worker is viewed as an individual who looks out for number one.

Japanese workers perceive an overall duty to work long hours, shun vacations, and commit themselves completely to their work, giving Japan its long history of being called the most goal-oriented country in the world. Apathy on the part of American workers is an increasingly challenging problem. The lack of worker loyalty and work orientation is evidenced by the fact that the average tenure of any United States job is only 4.2 years, whereas the Japanese see the commitment lasting a lifetime. This may also reflect a lack of attention to team building on the

[Return to Chapter Resources](#)

part of the company and its managers.

Competition among employees is a long-standing American tradition and is seen as one way to keep workers sharp and hard working. As more American companies recognize the fact that this emphasis on competition can undermine worker cooperation and employee morale, they are moving toward departmental competition in which each department sets goals and strives to achieve them by working together. The Japanese see competition as a negative work factor, and research has shown that Japanese worker performance deteriorates under competitive environments.

MANAGEMENT STYLE

The American management style tends to impose control through explicit and formal rules and regulations that are documented in corporate standard operating manuals. Japanese management control is more subtle, implicit, and informal. Japanese control is a major part of their life and culture. It stems from a set of corporate values that are expressed by management until a corporate culture becomes clearly understood by all employees so that it directs their every behavior. In most American companies, management has focused on an “inspect to quality” philosophy that focuses on the evaluation of a task after it is complete. Japanese management nurtures a “work to quality” culture that creates quality in the work process, as it is being done. More American companies are taking notice of the advances in Japanese organizations and are implementing “total quality management,” “Six Sigma,” and “Lean Operations” strategies.

The American executive places fundamental priority on organizational efficiency, while the Japanese executive is dedicated to “Wa” or the achievement of peace and harmony, without which the firm will fail.

The CEO of a Japanese firm is a true representative of that organization and its values. Japanese CEOs receive only a fraction of the compensation given to American CEOs, although the Japanese traditionally work longer hours. Stock options, a popular form of extra compensation for American executives, are not available to Japanese executives. When a firm does poorly, the CEO typically resigns in disgrace. In contrast, CEOs in failing American firms have given themselves huge salary increases.

SUPERIOR-SUBORDINATE RELATIONSHIPS

There is a clear superior-subordinate relationship in American companies, and this relationship is often shallow and short-term. The Japanese have a very different philosophy reflected in the saying, “It’s the superior’s job to help the subordinate learn the job.” In Japan, there is a mentor-protégé relationship that is almost Godfather-like: a relationship that is both functional and emotional. The Japanese superior assumes the corporate lifetime commitment and accepts the responsibility in a holistic manner (i.e., a responsibility for all aspects of the subordinate’s life for a lifetime).

[Return to Chapter Resources](#)

The acceptance of women in the managerial ranks of American companies is well accepted. However, in Japan, management is not viewed as a legitimate position for women. In fact,

working beyond the marrying age is not an acceptable activity for women. Japanese management has yet to accept the rights of the working woman.

DECISION MAKING

In an individualistic society such as the United States, it is not surprising that there is a tradition that an American manager is skilled at making decisions alone. Seeking advice is often viewed as leaning on others and a definite sign of weakness. Japanese companies, however, often use a participative group process by which everybody has a right and an obligation to contribute. Once a decision is reached, all proceed to implement it—even managers who did not agree with it.

Americans admire decisions that are fast and specific. The Japanese dislike decisions in general and will delay them as long as possible. They accept ambiguity as a way of life and work with it until a decision becomes absolutely necessary. They prefer to agree to proceed in a general direction, gathering more information as they go, changing that general direction as necessary, and making a decision at the last moment.⁷

LECTURETTE 1.2: An Examination of Managerial Roles

An increasing awareness of the management application has resulted in a significant change in the day-to-day work activities that are inherently a part of this dynamic process.

THE TASKS OF A PRACTICING MANAGER

Extensive studies in the duties and managerial activities have been done by Henry Mintzberg, Morgan McCall, Ann Morrison, Robert Hannan, and others. A summary of their findings is presented below.

1. The managerial workday is long. Managers work long, long hours. The higher one goes up the managerial hierarchy, the longer the working hours.
2. Managers are busy and work at a hectic, unrelenting pace. They begin to work the very moment they walk into the workplace and continue working, without relief, until they leave many hours later. Managers cannot afford the luxury of leisurely

[Return to Chapter Resources](#)

coffee breaks—they drink their coffee during endless meetings. They do not enjoy a relaxed lunch—lunch is skipped unless it is used to entertain a client or to orchestrate a group decision. In either case, the meal is secondary to the work that is accomplished during the meal.

7

Adapted from Gene Burton, "Japan vs. United States: A Comparison of Corporate Environments and Characteristics," *Human Systems Management* 8, No. 2, 1989, 167-173; Graef Crystal, "The Great CEO Pay Sweepstakes," *Fortune*, June 18, 1990, 94-102; Boyle DeMente, *The Japanese Way of Doing Things* (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1981); Robert Doctor, "Asian and American CEOs: A Comparative Study," *Organizational Dynamics*, Winter 1990, 45-46; Frank Gibney, *Japan: The Fragile Super Power* (New York: W.W. Norton and Co., Inc., 1979); Andrew Tanzer and Ruth Simon, "Why Japan Loves Robots and We Don't" *Forbes*, April 1990, 148-153.

3. The manager's day is fragmented. A manager has so many work demands that there is little time to spend on any one activity. Therefore, the workday is fragmented with hundreds of brief episodes, few of which are brought to closure. Interruptions and discontinuity are commonplace. American executives tend to spend less than nine minutes on any one issue or activity. This pressure often extends throughout an organization. For example, a study found that U.S. foremen engage in an average of 583 separate activities over an eight-hour work shift-an average of one every 48 seconds.
4. The manager's work is varied. Managers are involved in a wide variety of activities. They must deal with telephone calls, meetings (both scheduled and unscheduled), tours, visits, appearances, speech-making, negotiations, grievance hearings, performance reviews, scheduling, controlling, and interacting with all kinds of people, and dealing with all kinds of paperwork. All these activities deal with all the functional areas within the firm.
5. Mid-level managers stay close to home. Managers can be called "homebodies" because they spend the great bulk of their time engaged in activities within their own organization. However, as managers progress upward in the company hierarchy, increasingly more time is spent outside their own work area and outside the firm itself.
6. Verbal activities dominate the manager's time. In two British studies, managers were found to spend 66 and 80 percent of their time in verbal communications. Another study found that U.S. CEOs spend 78 percent of their time in verbal communication activities. In fact, most managers prefer verbal communications to paperwork.
7. Managers use many contacts and tend to network. Because of their high-level involvement in verbal communication, managers tend to have contact with many people. The incessant parade of telephone calls, interpersonal sessions, and meetings results in an almost continuous exchange of information with a growing number of people. This need to exchange voluminous information has led many managers to develop a set of cooperative relationships with certain people whose assistance is often needed.
8. A manager tends to develop an individual "art of management." Management is rapidly developing the qualities that may someday qualify it as a science. However, in the meantime, managers must develop personal procedures, techniques, and styles that can help them plan, schedule, organize, control, and otherwise deal with the many fragmented tasks with which managers must cope every workday. Managers are forced to use intuition and judgment as the core of most decisions. As such, management becomes an art as developed and conducted by the individual manager.

[Return to Chapter Resources](#)

9. Managers are proactive planners. Typically, managers find too little time for adequate planning. This is a proverbial “Catch 22” situation as many of the fragmented activities that disrupt the manager’s day result from an inherent lack of planning. Consequently, the manager becomes a reflective planner, constantly reacting to the work environment.
10. Information is the core of management. Since managers spend most of their workday collecting, assimilating, analyzing, and disseminating information, information is at the heart of the managerial process. Information management may then become the major key to managerial success.
11. Managers do not practice time management. Managers are seldom aware of the way they spend their time. They typically overestimate the amount of time they spend on reading, writing, production work, and just thinking. They tend to underestimate the time they spend in informal interactions and meetings—especially unscheduled meetings. Thus, it is clear that most managers are not experts at managing their time.
12. Managers lose their rights. As a manager, you may lose your right to:
 - Lose your temper.
 - Be one of the gang.
 - Bring your personal problems to work.
 - Vent your frustrations and express all your opinions at work.
 - Resist change.
 - Pass the buck.
 - Get even.
 - Play favorites.
 - Put your own interests first.
 - Ask others to do what you wouldn’t do.
 - Expect to be immediately recognized and rewarded for doing a good job.

[Return to Chapter Resources](#)

THE ROLES A MANAGER MUST PERFORM

Mintzberg and others have identified ten major roles that managers must fulfill:

1. Interpersonal roles

- Figurehead: Entails symbolic duties associated with the formal organization.
- Leader: Creates and nurtures relationships with subordinates.
- Liaison: Builds informational networks of contacts outside the workplace.

2. Informational roles

- Monitor: Seeks appropriate information from both internal and external sources.
- Disseminator: Transmits information within the organization.
- Spokesperson; Addresses the transmission of information to outsiders.

3. Decisional roles

- Entrepreneur: Initiates and encourages change, creativity, and innovation.
- Disturbance Handler: Initiates the corrective action needed to deal with important, unexpected difficulties.
- Resource Allocator: Distributes organizational resources (funds, equipment, time, human resources, and etcetera).
- Negotiator: Serves as the organization's chief negotiator in the manager's areas of responsibility.⁸

[Return to Chapter Resources](#)

Adapted from Earnest Archer, "Things You Lose the Right To Do When You Become a Manager," *Supervisory Management*, July 1990, 8-9; K. Bartol and D. Martin, *Management* (New York: McGraw-Hill, 1991), 10-14; Robert Guest, "Of Time and the Foreman," *Personnel*, May 1956, 478; R. Kreitner, *Management*, 5th ed. (Boston: Houghton-Mifflin, 1992), 18-20; M. McCall, A. Morrison, and R. Hannan, *Studies of Managerial Work: Results and Methods* (Greensboro, NC: Center for Creative Leadership, 1978), 6-18; Henry Mintzberg, "The Manager's Job: Folklore and Fact," *Harvard Business Review*, March/April 1990, 57-69; Henry Mintzberg, *The Nature of Managerial Work* (New York: Harper and Row, 1980).

DISCUSSION QUESTIONS

- 1. Identify three suggestions for managing your career that you want to remember and never forget.**
 - Be self-reliant.
 - Be a generalist and a specialist.
 - Thrive and survive.
 - Connect with people
 - Actively manage your relationship with your organization.
- 2. Can a firm succeed without meeting any of the criteria for competitive advantage? How many of the criteria must be met to create a competitive advantage? Use real-world examples to think through this question.**

In theory, it is potentially possible for a firm to be successful without satisfying any of the criteria for competitive advantage, although it is not likely. There is no hard rule for a minimum number of criteria that must be satisfied in order for a firm to succeed, but in general, the more criteria satisfied, the more likely a firm is to be successful. It could be argued that many years ago, General Motors might have been an example of a company that did not satisfy any of the criteria very well, as they were still very profitable and held maintained a strong position in the auto industry despite producing vehicles that were not high in quality, had high production costs, and were not focused on the needs of customers. In today's environment, most of the most successful and respected firms such as Amazon, Starbucks, and Apple do satisfy most, if not all of the criteria.

- 3. Identify and describe a great manager. What makes him or her stand out from average managers?**

Students—especially those with very limited work experience—may find this a difficult question to answer especially since the word “great” is highly subjective. However, it can be answered from three perspectives.

Those students who have worked with one or more organizations will be able to identify an individual who seemed to be a better manager than others will. They will probably mention their ability to communicate clearly, willingness to support and aid subordinates, and skill in providing motivation and leadership, etc.

The question can also be answered in terms of business executives who are featured in magazines or appear on television. These managers stand out from the crowd because of their visions for the organization or their successes in either building up or turning around a

[Return to Chapter Resources](#)

business. These are (or have the potential to be) successful managers.

Also, this question can be addressed from the family perspective. A student's parents, for example, may be great managers as they balance a number of different time-consuming activities despite ongoing problems and pressures.

There are a number of issues that can be raised in connection with this question. Examples:

- Are successful business executives always great managers?
- Are all great managers successful?
- What makes a manager the type of individual for whom a student would want to work?

4. Have you ever seen or worked for an ineffective manager? Describe the behaviors that contributed to the manager's ineffectiveness.

Different students will have different levels of experience. However, most will have worked on a committee or as a member of a group and will thus have had some experience in an ineffective situation.

Inefficiency results from a wide range of factors including lack of clarity and vision, failure to communicate effectively, poor organization, lack of leadership and motivation, lack of feedback, etc. In reality, ineffectiveness results from weaknesses in one or more of the four functional areas of management—planning, organizing, leading, and controlling.

5. Have you ever seen or worked for an ineffective manager? Describe the behaviors that contributed to the manager's ineffectiveness.

Most people have worked for at least one ineffective manager in a job they have held in the past. There is a wide range of behaviors that ineffective managers engage in including some of the following:

- Micromanaging people
- Having unrealistic expectations
- Being overly critical
- Being insensitive
- Lacking emotional intelligence
- Not being a team player
- Having a bad temper
- Not providing clear direction to others
- Not showing concern for the welfare of others

[Return to Chapter Resources](#)

6. Describe, in as much detail as possible, how the Internet and globalization affect your daily life.

The use of the Internet has become a part of everyone's daily life. Increased information is now made available to benefit everyone that would use the Internet. The Internet allows a person to attend classes online, obtain their college degree, buy a car, send flowers or a card, and buy groceries and medications without leaving the privacy of their home.

One can benefit from utilizing the Internet globally because it is possible to buy goods and services from around the globe in today's market-driven economy. Interaction among individuals can transcend around the globe via Internet technology. In the age of information systems, an individual can access data that was previously not available.

7. Identify some examples of how different organizations collaborate "across boundaries."

Different organizations manage their resources across boundaries to build upon customer needs. P&G is getting customers to think creatively and talk with one another online to come up with new product and service ideas. WingspanBank.com, an offshoot of Bank One Corp., invites customers to help improve its services.

8. Name a great organization. How do you think management contributes to making it great?

Students may name organizations they have worked for or are familiar with by reputation. A great organization is one that gains competitive advantage by employing management practices that satisfy both internal and external stakeholders. Great organizations focus on cost competitiveness, quality, speed, and innovation.

Cost competitiveness means pricing goods or services so that they are attractive to customers and ensuring that they add more value than the competitors. Quality refers to the excellence of the product or service and is more important than ever as customers' expectations for high quality and value increase. Speed can be a critical factor in separating a great company from a good company.

An organization that can deliver its goods or services quickly can increase customer loyalty and beat competitors to market with new products. Great organizations are leaders in innovation whether it is in the creation of new products and services or in continually improving internal processes that reduce costs, improve quality or increase speed. Great organizations also focus on continuous improvement and beating themselves rather than their competitors. Truly great companies are always asking the question, "How can we improve ourselves?"

[Return to Chapter Resources](#)

9. Name an ineffective organization. What can management do to improve it?

Students may name organizations they have worked for in the past or troubled organizations in the news media. An ineffective organization is one that has no clear sense of direction and is not structured appropriately. The leadership is weak, and the control processes are poor. As a result, the organization does not effectively utilize its resources, and often the decisions and actions facing the organization are allowed to slide.

Management can improve their effectiveness by establishing an annual plan and communicating organizational goals with all employees. Good planning utilizes a bottom-up approach where teams “own” their part of the organization’s goals. Increased communication to formulate a vision will help every employee to be a part of a participatory approach.

10. Give examples you have seen of firms that are outstanding and weak on each of the six pillars of competitive advantage. Why do you choose the firms you do?

The fundamental drivers of competitive advantage are **innovation, quality, service, speed, cost competitiveness, and sustainability**. Students should be able to identify firms that are strong and weak in each of the areas. It is important that students recognize that firms often succeed by offering a combination of these pillars of competitive advantage.

For example, a man can buy a suit off the peg at a local store at a very reasonable price. Its quality, however, may not be outstanding. By contrast, there are tailors in each of the major cities that offer top quality products but at a very high price, and it may take them weeks to complete a single suit. In Hong Kong, by contrast, you can have a suit made overnight. The quality can be quite good, and the cost can be relatively inexpensive. To a large degree, however, they are competing on the basis of speed.

Students typically identify firms based on their exposure, experience, or insights they may have in the firm’s operation. Student’s culture and value systems will differentiate thus highlighting different frames of reference.

[Return to Chapter Resources](#)

11. Describe your use of the four management functions in the management of your daily life.

Most students are aware of the importance of planning in managing their daily lives, particularly if students are attending school, working full-time or part-time and involved in home and community activities. **Planning** allows students to analyze their different roles such as student, co-worker, parent, etc., set goals, and prioritize their daily activities. Students will also often find themselves **organizing** the activities of others both at home and at school, such as fellow students, co-workers, service personnel, and family members. Many students will also play a role in **leading** and motivating others. They may have taken the lead on a group project, volunteered to coach soccer, or have been selected to chair a committee. In terms of **controlling**, students are required to review plans and schedules for various projects and assignments and balance recreational activities with their studies. Also, many students review their long-term goals, such as earning a degree or learning to speak another language.

12. Discuss the importance of technical, conceptual, and interpersonal skills at school, and in jobs, you have held.

At school, students have to be able to handle the technical aspects of each course—a break-even analysis in marketing, a cash flow problem in finance, a linear programming problem in operations research, etc. However, they do not go through the program in a vacuum. Conceptual skills are vitally important to top management because they must make decisions that will impact the whole organization. They also need strong interpersonal and communicational skills that will allow them to work with other members of a team or group. Being able to communicate effectively with the instructor is another key skill for students.

These same skills are needed when working in a business or organization. Working at the local McDonald's requires that students be able to handle the day-to-day tasks. Furthermore, they must be able to interact and communicate with not only their peers and the manager but also the customers. The reputation of the franchise is, in large part, dependent on the image that employees project to customers.

13. What are your strengths and weaknesses as you contemplate your career? How do they relate to the skills and behaviors identified in the chapter?

Students should be able to list at least three or four major strengths and weaknesses vis-à-vis their future careers. The instructor might ask them to evaluate these strengths and weaknesses specifically against the four managerial functions: planning, organizing, leading, and control.

[Return to Chapter Resources](#)

14. Devise a plan for developing yourself and making yourself attractive to potential employers. How would you go about improving your managerial skills?

The instructor can help the student through this exercise by providing a personal example: showing how he or she has used interpersonal, informational/technical, and decision-making skills to better position his or her career and other interests. The instructor may want to emphasize ways they improved managerial skills through education, training, and personal experiences.

Recognizing the skills is important to seek to retrain and recognize the skills required to be an effective manager. Technical or problem-solving skills include developing the product knowledge and the ability to listen, observe, and diagnose problem/opportunities. Conceptual and decision skills pertain to the ability to identify and resolve problems for the benefit of the organization and its members. Interpersonal and communication skills are people skills; the ability to lead, motivate oneself and others, and communicate effectively.

15. Consider the managers and companies discussed in the chapter. Have they been in the news lately, and what is the latest? If their image, performance, or fortunes have gone up or down, what has changed to affect how they fared?

Many of the organizations listed in the chapter will have suffered setbacks or improved their status by the time the students read this text. Setbacks are typically caused by changes in market conditions, mismanagement, or unwise use of resources (for example, overexpansion.) Improvements can be tied to the four drivers of competitive advantage—**innovation, speed, quality, and cost**, as well as customer service and effective management.

[Return to Chapter Resources](#)

EXPERIENTIAL EXERCISES

EXERCISE 1.1 YOUR PERSONAL NETWORK

1. Working on your own, write down all of your primary contacts—individuals you know personally who can support you in attaining your professional goals. Then begin to explore their secondary connections. Make assumptions about possible secondary connections that could occur by contacting your primary connections. For example, through one of your teachers (primary), you might be able to obtain some names of potential employers (secondary). (10–15 minutes)
2. Then meet with your partner or small group to exchange information about your primary and secondary networks and to exchange advice and information on how best to use these connections as well as how you could be helpful to them. (About 5 minutes per person; 10–30 minutes total, depending on group size)
3. Add names or types of names to your list based on ideas you get by talking with others in your group. (2–5 minutes)
4. Discuss with your large group or class the following questions. (10 minutes.)

QUESTIONS

1. What were some of the best primary sources identified by your group?
2. What were some of the best sources for secondary contacts identified by your group?
3. What are some suggestions for approaching primary contacts?
4. What are some suggestions for approaching secondary contacts, and how is contacting secondary sources different from contacting primary contacts?
5. What did you learn about yourself and others from this exercise?

SOURCE: S. C. de Janasz, K. O. Dowd, and B. Z. Schneider, *Interpersonal Skills in Organizations* (New York, NY: McGraw-Hill, 2002), p. 211.

[Return to Chapter Resources](#)

EXERCISE 1.1. YOUR PERSONAL NETWORK

Suggested Responses to Discussion Questions

1. What were some of the best primary sources identified by your group?

Best primary sources will likely include teachers, parents, family, peers (colleagues), and current employers.

2. What were some of the best sources for secondary contacts identified by your group?

The best sources for secondary contacts will differ from student to student, but most often include family, peers, and friends—people who have a personal interest in you.

3. What are some suggestions for approaching primary contacts?

Primary contacts are those with whom you interact regularly. Most of these people will be happy to help if asked directly for advice. You may also want to think about how to “reward” them for the information they give you—for example, taking someone to dinner or lunch to discuss your career. If someone is difficult to catch up with, students may contact via email.

4. What were some suggestions for approaching secondary contacts, and how is contacting secondary sources different from contacting primary contacts?

The most effective approach for a secondary contact is to ask for an informational interview. When approaching a secondary contact, you must be aware of their time—don’t ask for a lot of time. Also, preparation is important. Draw up a list of the most important questions you want to ask and stick to that list.

5. What did you learn about yourself and others from this exercise?

Hopefully, students now know that they have a wider circle of contacts than they may have thought previously. Also, they will have gained some tips for approaching secondary contacts, and perhaps gained some primary contacts as well!

Teaching Tip

Time: 30-40 min.

Resources/Set-up: Participants will need a blank sheet of paper.

Activity Instructions: This step can be assigned as a homework assignment and discussed at this time during the lecture. Follow the instructions in the text. You may want to give them an example of your network or a hypothetical network. You may want to assign a team member as the timekeeper or call time for the class.

Discussion/Debrief: See questions in the text; facilitate discussions using answers above, plus: Ask students to discuss in small groups what was easy and what was hard about doing this exercise.

Ask small groups to report their suggestions for #3 and #4 to the entire group using suggestions discussed as well as personal experiences.

[Return to Chapter Resources](#)

EXERCISE 1.2 ARE YOU AN EFFECTIVE MANAGER?

OBJECTIVES

1. To recognize which behaviors contribute to being a successful manager.
2. To develop a ranking of critical behaviors that you personally believe are important for becoming an effective manager.

INSTRUCTIONS

1. Following is a partial list of behaviors in which managers may engage. Rank these items in terms of their importance for effective performance as a manager. Put a 1 next to the item that you think is most important, 2 for the next most important, down to 10 for the least important.
2. Bring your rankings to class. Be prepared to justify your results and rationale. If you can add any behaviors to this list that might lead to success or greater management effectiveness, write them in.

Managerial Behaviors Worksheet

- _____ Collaborates with people from different parts of the organization.
- _____ Looks for ways to incorporate technology into the operation.
- _____ Ensures that services/products are of a high quality and delivered on time.
- _____ Keeps costs down and looks for ways to be more efficient.
- _____ Makes decisions to help achieve the goals of the organization.
- _____ Is organized and effectively allocates resources.
- _____ Motivates others to perform at a high level.
- _____ Makes sure goals are met and implements changes when necessary.
- _____ Exhibits good interpersonal and communication skills.
- _____ Is skilled at identifying and resolving problems.

SOURCE: Adapted from L. R. Jauch, A. G. Bedeian, S. A. Coltrin, et al., *The Managerial Experience: Cases, Exercises, and Readings*, 5th ed. (Chicago, IL: South-Western, 1989).

[Return to Chapter Resources](#)

EXERCISE 1.3. Career Skills Development

Objectives

1. To develop an understanding of your career-related strengths.
2. To identify career-related skills and behaviors requiring development.
3. To increase confidence in your marketability.

Instructions

Read the instructions for each activity, think about them, and then provide your response.

Career Development Worksheet

Think about a part-time or full-time job or a volunteer role that you've held.

1. Describe **activities** and **skills** at which you excelled and which helped you succeed:
 - a) _____
 - b) _____
 - c) _____
 - d) _____
 - e) _____
2. Identify **activities** and **skills** that you wanted to master but were unable to do so due to lack of training or time:
 - a) _____
 - b) _____
 - c) _____
 - d) _____
 - e) _____
3. Referring to your list in #2, what steps could you take now to develop these important **activities** and **skills**:
 - a) _____
 - b) _____
 - c) _____
 - d) _____
 - e) _____

[Return to Chapter Resources](#)

Suggested Responses to Discussion Questions

1. What were some of the best primary skills that you identified as helpful in your jobs?

Skills may include relational, technical, and conceptual; Students may also discuss basic job skills such as arriving on time, being willing to do more, and fitting into the organizational culture.

2. What were some of the skills you wished you had?

Answers will vary; however, relationship and technical skills are frequently expressed.

3. What are some suggestions on acquiring the needed skills for career success?

Student answer will vary; however, internships, mentors, and appropriate coursework are popular responses.

4. What did you learn about yourself and others from this exercise?

Hopefully, students now know that they have a wider set of skills that they may have thought previously. In addition, they will have gained some tips for approaching skill acquisition.

[Return to Chapter Resources](#)

CONCLUDING CASE

A NEW MANAGER AT USA HOSPITAL SUPPLY

Case Summary:

This case provides students with insights into the thoughts and feelings that a new manager faces, especially if he or she is promoted within their existing company.

Chapter Topics Related to the Case:

- Discuss the concepts of being both a specialist and a generalist.
- Identify the managerial and other skills that students need to bring to a job.
- Show students that they can be in charge of their own careers (being self-reliant) rather than just doing what someone else tells them to do.
- Show students that they must actively manage their relationship with their organization.
- Focus students on the four pillars of management as a foundation for launching a new career as a manager: planning, organizing, leading, and controlling.

Case Discussion Questions:

1. How will Matt's approach to quality and service affect his company's performance?

Students should put themselves in the position of Matt's teammates and think about how they will be impacted by Matt's decision to "teach" them how to sell better. They should consider how Matt might do things differently if he focused on the four pillars of management rather than simply on sales training.

2. Which of the basic functions of management has Matt considered? How well is he preparing to carry out these functions?

Matt briefly considered planning when he made out a list of salespeople. Additional discussion might reveal ways that Matt could implement each of these four foundational elements as a new manager.

3. Which management skills does Matt have? In what areas do you think he has the greatest need to develop skills? How can he actively manage his development as a manager?

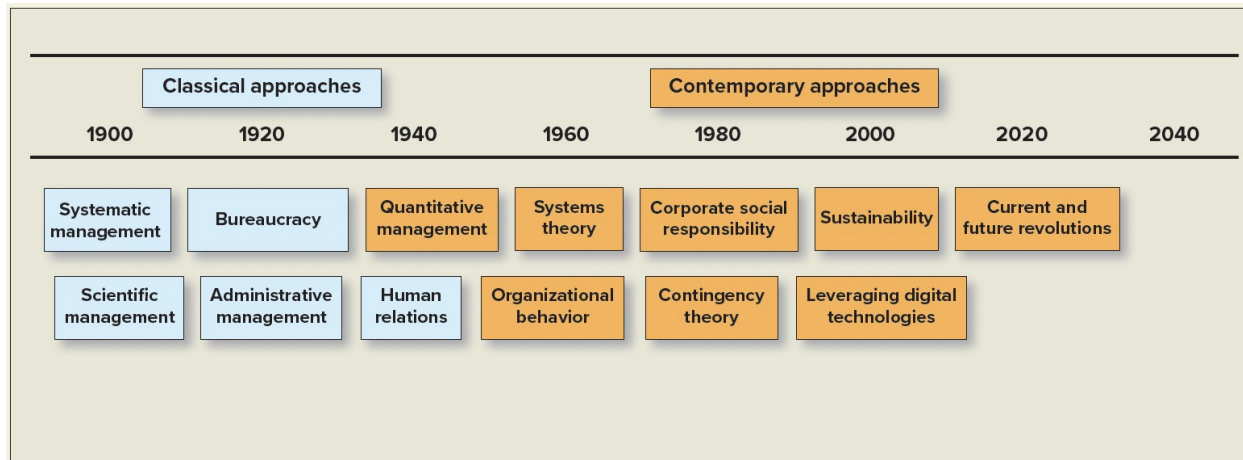
[Return to Chapter Resources](#)

From what we read in the case, it appears that Matt possesses a good set of interpersonal skills as well as strong technical skills in sales. However, he may need to develop his conceptual skills, his organizational skills, and his decision-making skills in order to be successful as a manager. To manage his development as a manager, he might consider asking a senior manager to mentor him as well as enrolling in a management training program. Continuous learning is the key to ongoing growth and development, and Matt now must learn to develop a new set of tools to advance his career as a manager.

[Return to Chapter Resources](#)

Appendix A: The Evolution of Management

Exhibit A.1 The Evolution of Management Thought



McDonald's has used its production system very successfully to build a global restaurant chain. The key advantage of the McDonald's approach is consistency—you know that the hamburger that you buy will taste the same at any McDonald's. It is based on the principles of many of the approaches discussed in the chapter, including scientific management, systematic management, administrative management, human relations, quantitative management and systems theory.

Zappos, the online shoe retailer, has become very successful based on its wide selection of merchandise, quirky culture, and superior customer service. This is based on using a variety of the approaches discussed as well including human relations, organizational behavior, leveraging digital relationships. And corporate social responsibility.

Appendix A: Discussion Questions

- 1. How does today's business world compare with that of 40 years ago? What is different about today's business environment, and what is not so different?**

Today's business environment is much more dynamic and complex compared to 40 years ago. Technology is a major driving force of change and new opportunities; and the workforce and consumers are much more diverse in terms of age, race/ethnicity, etc. Business is now done with a highly integrated global economy as countries such as China and India have become major players. Companies are similar in that they use the same fundamental approaches to strategic planning, organizational structure, and a focus on financial performance.

[Return to Chapter Resources](#)

2. What is scientific management? How might today's organizations use it?

Scientific management focuses on a systematic, focused approach that emphasizes efficiency and standardization in order to minimize defects and to maximize consistency in outputs. This could be used today by many companies for tasks and processes where cost efficiency and productivity are especially critical to achieving a competitive advantage for a company. This would be especially relevant in industries that employ a large number of low-skill workers who perform routine, simple jobs.

3. Exhibit A.2 lists Fayol's 14 principles of management, first published in 1916. Are they as useful today as they were then? Why or why not? *When* are they most, and least, useful?

Here are Fayol's 14 principles of management:

1. *Division of work*: divide work into specialized tasks and assign responsibilities to specific individuals.
2. *Authority*: delegate authority along with responsibility.
3. *Discipline*: make expectations clear and punish violations.
4. *Unity of command*: each employee should be assigned to only one supervisor.
5. *Unity of direction*: employees' efforts should be focused on achieving organizational objectives.
6. *Subordination of individual interest to the general interest*: the general interest must predominate.
7. *Remuneration*: systematically reward efforts that support the organization's direction.
8. *Centralization*: determine the relative importance of superior and subordinate roles.
9. *Scalar chain*: keep communications within the chain of command.
10. *Order*: order jobs and material so they support the organization's direction.
11. *Equity*: fair discipline and order enhance employee commitment.
12. *Stability and tenure of personnel*: promote employee loyalty and longevity.
13. *Initiative*: encourage employees to act on their own in support of the organization's direction.
14. *Esprit de corps*: promote a unity of interests between employees and management.

All of these fundamental principles are largely relevant today in the management of modern organizations, although the terms that are used to describe them have changed. For example, “esprit de corps” is referred to more as teamwork or collaboration.

[Return to Chapter Resources](#)

4. What are the advantages and disadvantages of a bureaucratic organization?

The advantages of a bureaucratic organization are the emphasis on creating a formal system of rules, policies, and procedures that will support standardization and organization and not rely on the people in the system. Drawbacks include that bureaucratic organizations can be rigid, not very innovative, and slow to respond to and adapt to changes in their external environments.

5. In what situations are quantitative management concepts and tools applicable?

Quantitative management concepts are relevant to any situation in an organization where management needs to better understand an issue or problem or how to solve a problem. This can include financial, marketing, operations, human resources, and other issues. This has led to a strong emphasis on what is now the field of business analytics.

6. Choose any organization and describe its system of inputs and outputs.

Take Starbucks, the coffee company, as an example here. Its inputs would be the coffee beans and ingredients for food items on its menu. It uses various technologies or work methods to convert these inputs into outputs which are the coffee, pastries, sandwiches, and other snacks that so many customers love to purchase.

7. Why did the contingency perspective become such an important approach to management? Generate a list of contingencies that might affect the decisions you make in your life or as a manager.

The contingency perspective was significant in that it emphasized that there is no one way to manage organizations in a universally best way or most effective way. It depends on the situation. Contingencies would include the task, industry, company culture, the goals and objectives, the people involved, and the availability of resources.

8. For each of the management approaches discussed in the appendix, give examples you have seen. How effective or ineffective were they?

Student answers will vary.

[Return to Chapter Resources](#)

Appendix: Experiential Exercises

A.1 APPROACHES TO MANAGEMENT

OBJECTIVES

1. To help you conceive a wide variety of management approaches.
2. To clarify the appropriateness of different management approaches in different situations.

INSTRUCTIONS

Your instructor will divide your class randomly into groups of four to six people. Acting as a team, with everyone offering ideas and one person serving as the official recorder, each group will be responsible for writing a one-page memo to your present class. The subject matter of your group's memo will be "My advice for managing people today is . . ." The fun part of this exercise (and its creative element) involves writing the memo from the viewpoint of the person assigned to your group by your instructor.

Among the memo viewpoints your instructor may assign are:

- An ancient Egyptian pyramid builder
- Henri Fayol
- Frederick Taylor
- Mary Parker Follett
- Douglas McGregor
- A contingency management theorist
- A Japanese auto company executive
- The chief executive officer of IBM in the year 2030
- Commander of the Starship *Enterprise II* in the year 3001
- Others as assigned by your instructor

Use your imagination, make sure everyone participates, and try to be true to any historical facts you've encountered. Attempt to be as specific and realistic as possible. Remember, the idea is to provide advice about managing people from another point in time (or from a particular point of view at the present time).

[Return to Chapter Resources](#)

Make sure you manage your 20-minute time limit carefully. A recommended approach is to spend 2 to 3 minutes putting the exercise into proper perspective. Next, take about 10 to 12 minutes brainstorming ideas for your memo, with your recorder jotting down key ideas and phrases. Have your recorder use the remaining time to write your group's one-page memo, with constructive comments and help from the others. Pick a spokesperson to read your group's memo to the class.

SOURCE: R. Krietner and A. Kinicki, *Organization Behavior*, 3rd ed. (New York: Richard D. Irwin, 1994), pp. 30–31.

Teaching Tip

Time: 30-40 min.

The key to making this exercise effective as a learning activity is to ensure that students have enough time to prepare their memos and to reinforce the key points they make for their perspective of management so that students really understand the main points. Also, it would be extremely helpful to facilitate a discussion with the class comparing and contrasting the various perspectives. To wrap up, it would be valuable to ask students what they feel are the practical takeaways from the exercise in terms of things that they should remember about effective management in real-world organizations.

A.2 THE UNIVERSITY AS AN OPEN SYSTEM

OBJECTIVES

1. To learn to identify the components of a complex system.
2. To understand better how organizations function as systems.

INSTRUCTIONS

1. Think about your university from the perspective of being an open system.
2. Answer the questions on the University System Analysis Worksheet individually, or in small groups, as directed by your instructor.

[Return to Chapter Resources](#)

University System Analysis Worksheet

1. Referring back to the text's Exhibit A.3: Open-System Perspective, what subsystems compose your university system? Diagram the system.

2. Identify the following in your university system: inputs, transformations, outputs, and goods or services.

3. What are the strengths of the current system? What are the weaknesses? (Is it a system failure when a student fails to graduate?)

4. What changes (if any) would you make to the transformation process?

Source: Adapted from J. Gordon, *A Diagnostic Approach to Organizational Behavior* (Englewood Cliffs, NJ: Prentice Hall, 1983), p. 38.

[Return to Chapter Resources](#)

Teaching Tip

Time: 30-40 min.

The key to making this exercise effective is to make sure that students can access the university's website because they will need to collect information to support their analysis. In terms of evaluating their university, make sure that the strengths and weaknesses of the system are very specific and that they can be supported with evidence so that students develop skills in pinpointing specific issues and basing those issues on evidence. In terms of the actions section, make sure that students formulate very specific and action-oriented responses that should be done by the administration to enhance the effectiveness of the university.

[Return to Chapter Resources](#)