# *Management Asia-Pacific Edition 7th edition Schermerhorn Solutions Manual*

SKU: 9780730369318-SOLUTIONS

# Instructor's Resource Guide

**to accompany**

# Management 7th Edition

by Schermerhorn et al.

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# Chapter 1
# The contemporary workplace

## In-chapter questions

### Opening case study question: The current Australian workplace

*How has the workplace changed in the past twenty years and what are the implications of the changes? Where are the trends likely to take us in the next twenty years?*

The workplace has evolved in the past 20 years in myriad ways, including the following.

- The pre-eminence of technology over the past two decades has resulted in countless new opportunities as well as the resulting supersedence of previously successful businesses; consider, as an example, the advent of media streaming organisations (Netflix, Hulu, Stan, Amazon Prime) and the decline and demise of physical media outlets (such as Blockbuster, Video Ezy and Civic Video). New developments in technology also force all organisations, regardless of industry, to adapt and change the ways they operate and the ways in which their employees work.
- Clunky command-and-control, traditional hierarchical structures in organisations, in which management makes all decisions and employees are expected to fall into line, have largely given way to a workplace focus on innovation, collaboration and coaching that is more effective in today's competitive environments. These days, more attention is given to employees' performance than to status and seniority.
- Businesses focus on speed much more now than they did 20 years ago, with speed-to-market being an increasingly crucial factor in the success of a business. Businesses who get products to market before their competitors have a serious advantage. In all organisations, work is expected to be not only of a high quality, but also timely.
- Organisational networking is more predominant now than 20 years ago, as well as being easier to achieve thanks to a plethora of improved tools and technologies. Modern organisations are networked for intense real-time communication and coordination, both internally among departments (which allows for fast adaptation to change, improved organisational culture and innovation) and externally with partners, contractors, suppliers and customers (allowing for efficiency, feedback, continuous improvement and customer satisfaction).
- Modern organisations have an increased belief in empowerment; the demands of the new economy place premiums on high-involvement and participatory work settings that rally the knowledge, experience and commitment of all members.
- There's now an increased emphasis on teamwork: today's organisations are less vertical and more horizontal in focus; they are increasingly driven by teamwork that pools talents for creative problem solving.
- Modern managers are more concerned about work–life balance. As society increases in complexity, workers are forcing organisations to pay more attention to balance in the often-conflicting demands of work and personal affairs.
- Modern-day consumers are unrelenting in their demand for quality and ethical products and services.

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The section on diversity in this chapter mentions that the past two decades have been characterised by an upward trend in all types of non-standard forms of employment. There has been an increase in casual work, temporary work, outsourcing and offshoring, the use of agencies and other labour/market intermediaries. Given the continuing need for organisations to respond quickly in the marketplace, it could be expected that these forms of flexible employment will increase.

In this chapter's section on ethics, the author notes that society is becoming increasingly strict in its expectation that organisations operate according to high and transparent moral standards. The 2018 Australian Royal Commission into Misconduct in the Banking, Superannuation and Financial Services industry and the #MeToo movement have been enormous catalysts for consumers' awareness of and outrage regarding corporate misdealings and unsafe, hostile workplaces; businesses proved to be embroiled in shady dealings or ineffectual at safeguarding against workplace sexual harassment are increasingly held publicly accountable and face enormous scrutiny if they fail to act quickly and effect positive organisational change. Over the next 20 years, it is fair to expect customers will demand organisations focus more on sustainable development and the protection of the natural environment; the protection of consumers through product safety and fair practices; and the protection of human rights in all aspects of society, including employment (specifically equal employment opportunity, equity of compensation and benefits, participation and employee involvement, privacy and due process, job security, occupational health and safety, and freedom from sexual harassment).

## Boxed feature questions

### Globalisation: McDonald's goes 'Glocal'

*Thinking about the challenges of managing in a fast-moving technology-rich multinational environment, how will the manager of tomorrow be successful? We can and should learn from the past, but what can we learn from the future? Where is it taking us?*

Modern managers work in a technology-driven environment, and the pace and complexities of this environment have forced managers to learn continuously. Increasingly, organisations are moving away from traditional hierarchical structures where managers dictate workloads then sit back and watch. The manager of the modern-day organisation should be good at:

- building relationships and rapport with others to motivate workers to perform to the best of their ability
- helping others develop their skills and competencies
- fostering teamwork and creating a work environment that is performance-driven and satisfying at the same time.

The complexity of the workplace is only going to increase in the future. Trends towards globalisation that are emerging paired with organisations' increased reliance on technology will continue to force managers to develop new practices in organisations, such as higher levels of stakeholder involvement and teamwork; increased employee empowerment; increased focus on speed, efficiency and innovation to stay competitive; and a vastly increased demand for ethical dealings and practices regarding the protection of the natural environment and the protection of the human rights of workers and consumers.

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**Diversity: The challenge of managing across cultures**

*By definition, cultures are different from each other, with differing values, attitudes, feelings and behaviours. Is it possible to have an approach to management that flies over all these differences, like a one-size-fits-all theory that's infinitely adaptable?*

Due to the complex environment that organisations are operating in, management has to deal with different cultures, values, attitudes and ways of conducting business. It is highly unlikely that management can adapt a one-size-fits-all theory that is infinitely adaptable due the volatility of the environment and the cultural beliefs and behaviours that each country has towards the management of organisations. Managers and corporations have to learn to be flexible and adaptable to the international scene and its needs. They must adapt their management style to suit the cultural differences that may arise.

**Counterpoint: Routines and processes: the foundations of organisational capability**

*Imagine you are a new manager in a complex global organisation that has many inefficient processes. You are tasked with assessing how the organisation can improve processes and workflows. What would you hope to achieve in your first 90 days?*

Student responses will differ, particularly given the level of manager and the scale of the task are open to interpretation. In my first 90 days, I would hope to set performance objectives and decide how to achieve them; arrange tasks, people and resources (such as technological tools to design, map and improve processes) to accomplish the work; inspire people to work hard to achieve high performance and work together towards a common vision; and measure performance, taking action to ensure desired results. I would hope to be able to amalgamate feedback from all workers from my organisational unit (or all organisational units, again, depending on scale) on areas in which they've seen the potential to innovate and refine the processes they're responsible for, making the workers feel valued, heard and motivated in the process; I would hope to review the structure of the relevant organisational units; and I would hope to develop a plan to align the organisation's resources, structures, processes and management systems to ensure the success of the newly implemented, streamlined processes.

**Counterpoint: The appeal of the 'flat' organisation — why some firms are getting rid of middle managers**

*How relevant are Fayol's four management functions — planning, leading, organising and controlling — to describing what managers do and/or should do? What does he omit? Has the workplace moved on such that these functions are no longer central to what managers do?*

Fayol's four management functions — planning, leading, organising and controlling — are a general description of what managers should do in modern day organisations; however, Fayol's management function omits the issues and complexities that modern managers face on a day-to-day basis, particularly as organisations break away from the command-and-control management styles of the traditional, hierarchically structured organisations of the past. The modern-day workplace has drastically evolved since Fayol's management functions were established. Managers nowadays have to deal with external and internal issues such as the rise of globalisation, the increased use of information technology, economic issues, the rise of workforce diversity and an increased call for corporate social responsibility. Managers

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now have to be facilitators, figureheads and liaisons to ensure their employees are engaged and performing to the highest possible standard.

**Counterpoint: Workplace motivation and culture**

*While admitting that different cultures give different emphasis to various work practices (such as the importance of seniority as counted in years of service to the company), do you see a common core of management tasks across cultures? Do you think generational differences are as important as cultural differences?*

Managerial work by nature is dynamic and is constantly changing. Traditionally, managers are supposed to direct and lead subordinates to carry out certain tasks. Therefore, it can be said that there is a common core of management tasks across cultures, however it is essential to adapt those common core tasks to the specific culture and country. Generational differences are of importance when managing an organisation; however, they are not as significant as cultural differences. Cultural differences are hard to manage as there are many more components that a manager has to be aware of and deal with. Cultural differences include religion, local culture, national culture, and political and economic differences.

**Counterpoint: How to manage self-motivated intelligent workers?**

*How would you approach for a difficult conversation with an underperforming knowledge worker? What preparation would you do to ensure the conversation goes well?*

Student responses will differ. To prepare for a conversation with an underperforming knowledge worker, I would first look at the expectations I had set out for the worker and assess whether these had been adequately communicated to them, and prepare to accept my share of the responsibility if this had been overlooked. I would carefully consider the location for the conversation, keeping in mind that embarrassing the worker in front of colleagues may only lead to disengaging the employee further. I would consider that it might help to take them aside in an informal but private manner to avoid them perceiving the conversation as a reprimand, as according to research, knowledge workers do not respond well to negative reinforcement. To that end, I would consider how to use empathy to avoid upsetting this person or making them feel as if they were being reprimanded. As the Counterpoint indicates, it is important for managers of knowledge workers to consider workers as their whole self, not limited to their production output; therefore, I would consider how the person had been acting in the workplace more generally, and use my judgement to gauge whether they feel valued at work, and the ways in which I can improve this. To encourage the worker to achieve goals with positive reinforcement and empathy, I would create a list of achievable action points for the worker, noting privately for myself how I can articulate the ways in which these action points are tied to the vision of the organisation, and how the organisation's vision in turn ties in with the worker's beliefs and goals. During the conversation, I would then work through the list of action points with them so they feel supported in getting back on track. Making this person feel understood and seen would be a good step to working towards re-engaging the worker.

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## Critical analysis questions

*1. Think back to how things have changed in the past three years, in terms of the role of the manager; at least, as you perceive it. Taking the big-picture view, what changes do you see? For example, is there greater or lesser emphasis on people against profit, or on technology against entrepreneurship? Keep these thoughts in mind as you progress through the chapter. (page 9)*

High-performing organisations are achieving success because they are getting extraordinary results from their employees. Current themes include respect, participation, empowerment, involvement and self-management. The focus is on intellectual capital and the knowledge worker.

The economy is now globalised, closely networked and strongly influenced by changes in information technology. This has led to more complex markets for goods and services, higher levels of competition, different methods/places of production and new labour markets.

The shift towards an information-based economy has led to a demand for knowledge workers who have computer-related skills. Low-skill workers are being displaced and find it difficult to get a new job.

*2. Diversity management might be seen as a necessary encumbrance — something managers do because they have to — or it may be seen as a source of competitive advantage. What do you think? Does it have your grudging acceptance, profit-oriented approval, or ethical support? What difference does this make? (page 9)*

Diversity management should be seen as a source of competitive advantage. Changes in the new economy have seen a move towards valuing people in organisations and this includes valuing their differences.

*3. Shareholders express resentment when corporate bosses take bonuses while their companies are appealing for government bailout funding. Are CEO packages in the many millions really justifiable? Is there an ethical dimension to executive remuneration, or should companies just pay whatever the market will bear to get the managers they want? (page 9)*

Some organisations will always pay corporate bosses what the market will bear. However, to remain competitive, many will need to respond to ethical and social pressures to act responsibly in all aspects of their business. The increase in competition which has arisen from globalisation means that customers now have more power and can switch to competitors if an organisation is not perceived as ethically or socially responsible in this respect.

*1. What is the benefit of seeing an organisation as a system of inputs, transformation processes and outputs? What difference would this view make to you as a manager? (page 12)*

Organisations are open systems that interact with their environments transforming resources (inputs) into goods and services (outputs); see figure 1.1. Managers who are able to view the

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organisation as an open system recognise the impact that the environment has on the organisation, the importance of customers and the benefit of receiving feedback.

*1. Is the 'core' of management just the same, irrespective of where you work, with the difference being the applications of management in particular organisations and environments? Why or why not? (page 19)*

Yes, the core of management is the same. Managers organise work to meet the objectives and goals of the organisation. They are responsible for the overall performance of the organisation and their work is generally seen as less directive and more supportive than in the past. However, the applications of management differ depending on the particular organisation and environment. For example, managers organise work differently depending on things like the nature of the industry, the focus of the organisation (profit or not-for-profit), the goals/objectives of the organisation and the nature of competitive environment.

*2. The global financial crisis and subsequent economic downturn put so much pressure on companies to perform and survive that the niceties of HRM have been swept to one side. Is this a fair statement? Why or why not? (page 20)*

Student responses will differ. It is argued by Pfeffer and Veiga that organisations perform better when they treat their members well and the view underpinning this textbook is that 'high-performing organisations operate with a commitment to people as their most important assets'. However, it is true that HRM has been swept to one side by some organisations since the global financial crisis, because in order to survive, many organisations have had to lay off staff.

*1. If the environment really is changing so quickly and unpredictably, is all planning a waste of time? How can we plan for an environment that we cannot predict? Is it reasonable to expect managers to produce realistic long-term plans? (page 25)*

The environment is changing quickly but not for all organisations and not all of the time. Therefore, planning is not a waste of time. Managers can make some predictions based on experience and past trends, but they will not always be correct; this is why 'scenario planning' can be effective. Scenario planning allows managers to develop a range of plans and then choose the alternative that best suits the situation at the time of implementation.

Long-term plans may not always be correct as managers do not have a 'crystal ball'. It is more important to ensure that different plans are developed and the best fit can be implemented when required.

*2. Are all good managers also good leaders? Can you be a good leader and not a good manager? Are the functions of manager and leader fundamentally different? Keep your thoughts in mind as you progress through the chapter. (page 25)*

Many qualities are shared by both leaders and managers and chapter 1 focuses on the qualities required by a manager. Mintzberg defines the nature of managerial work as

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comprising interpersonal roles (figurehead), informational roles (spokesperson) and decisional roles (negotiator).

If you are a good leader, it can be argued that this would make you a good manager, as many of the qualities are generic. Managers also require different skills depending on the level they are working at in the organisation. The roles defined by Mintzberg may be relevant for senior managers; more junior managers might be required to allocate resources in their department or liaise with people in other departments, divisions or sections of the organisation.

*3. Why is the management of control systems so critical to good management? Are there risks in taking control beyond merely monitoring into areas of innovation? For example, does an emphasis on control act to stifle creativity? Why or why not? Use examples to justify your answer. (page 25)*

Controlling is one of the four management functions. It is important to control aspects of the organisation to ensure that plans are implemented, objectives met, performance measured and correct action taken as required. Control doesn't have to stifle creativity and can enhance and build an organisational culture in which creativity can flourish.

*1. In what proportions do you think management is about knowledge, skills and abilities? Justify your answer. (page 29)*

Managers required different knowledge, skills and abilities depending on the situation at that particular time. There is no formula to say that they require one-third of each, or that knowledge is more important than skills and abilities. Again, as with the previous questions, it depends on the situation, the individual manager and the specific organisation.

Skills and abilities are similar and can be defined as talent, expertise, aptitude or knack. The differences between these two and knowledge is more clear cut and if there is a problem on the production line then knowledge of the production process is important. However, if the problem is with a customer complaint, an important skill/ability would be the ability to empathise with the customer; if the problem was an employee who was constantly late for work and a written warning needed to be issued, the ability/skill to handle a conflict situation would be important.

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# End-of-chapter questions

## Applied activities

*1. What are some of the opportunities an increasingly diverse and multicultural workforce offers with respect to potential performance gains in organisations? How can managers stimulate and encourage this contribution?*

Workforce diversity means differences between people in terms of gender, age, ethnicity, religion and so on. These differences can have a valuable contribution to potential performance gains in organisations. Employees will have various skills, perspectives, methods of solving problems and different knowledge levels based on their cultural and educational background. This variation can and should be leveraged by organisations by carefully managing this diversity. Enabling employees to work in their own way makes people feel they are valuable contributors to the organisation and helps people to work to their full potential. This in turn increases the effectiveness of the company.

*2. Why are concepts such as ethical and socially responsible conduct increasingly important?*

Organisations are in contact with numerous stakeholders, whose various requirements and expectations should be met at the same time. These stakeholders include the employees, the customers, the consumers, the community, the shareholders, the suppliers and many other parties. Different societies in the world are getting more and more concerned about the societal and ethical standards of organisations. The lack of faithful behaviour may be harmful for different stakeholders, so organisations have to treat them in ways that are consistent with the society's values. Social and ethical responsibilities consist of:

1. protection of human rights in all aspects of society
2. workplace concerns, including providing equal opportunities to employees, equity of compensation and benefits, job security, occupational health and safety, freedom from sexual harassment and so on
3. protection of environment
4. protection of consumers through product safety and fair practices, individual privacy
5. sustainable development.

These issues are strongly interrelated, and in some cases an organisation's attitude towards one might predetermine its approach towards other social and ethical concerns. It should be noted that these issues are easy to be addressed but quite difficult to be implemented, especially in the case of workforce diversity. Nevertheless, failure to resolve these problems is socially irresponsible. It may also cause productivity losses due to dissatisfaction and poor work commitments.

*3. What are some important survival skills for the new workplace? List and explain them.*

Organisations operate in a continuously changing, competitive environment, and their survival significantly relies on its employees. Therefore, organisations have to select appropriate employees who are motivated and desire to be involved, and who are real team

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players with the aim to achieve top performance. Critical survival skills for the new workplace are:

1. *Mastery*. You need to be good at something; you need to be able to contribute something of value to your employer. Remember: you need to discover your personal strengths and continuously develop them. Nevertheless, you have to evaluate these strengths as to whether they are valuable to an employer on the market place.
2. *Contacts*. You need to know people. Links with peers and others within and outside the organisation are essential to get things done. Remember: you have to continuously increase the number of networks you are part of.
3. *Entrepreneurship*. You must act as if you are running your own business, spotting ideas and opportunities and stepping out to embrace them. Remember: spotting successful business ideas is a skill that not everyone has, thus, it needs practising.
4. *Love of technology*. You have to embrace technology. You don't have to be a technician, but you must be willing and able to fully utilise IT. Remember: technology is an organic part of our lives, thus, there are more and more people becoming familiar with information technology. The interesting question is, how many of them actually use it to their advantage?
5. *Marketing*. You need to be able to communicate your successes and progress, both yours personally and those of your work group. Remember: you can have the best message, but it is not valuable if no one can hear it, or if you cannot communicate it in an adequate way.
6. *Passion for renewal*. You need to be continuously learning and changing and updating yourself to best meet future demands. Remember: lifelong learning is essential in today's organisations, in order to understand and keep up to the challenges in our global economy.

*4. What is 'globalisation' and how does it relate to Kenichi Ohmae's notion of the borderless world?*

The world is becoming more and more globally interlinked in terms of production, technology, capital, people, information and business. Globalisation is the worldwide interdependence of resource flows, product markets and business competition. Ohmae's term 'borderless world' refers to the fact that more businesses are operating on a global scale and countries are becoming very interdependent economically. Businesses rely on various resources (tangible, intangible) and technologies from different countries to manufacture their products, and then these goods are offered to various target markets in more than one country. People move temporarily or permanently to different countries to live and work; therefore, employees from different countries, with different cultural and knowledge backgrounds, have to work together in today's organisations. The boundaries of organisations also reach beyond country borders, so multinational companies may develop and start their operations all over the world and establish their residence in various countries.

One of the most obvious signs of globalisation is that company names/brand names such as General Electric, Microsoft, Vodafone, Sony, Coca-Cola etc. are known by millions of people all around the globe, which represents power. Global firms represent tremendous power in the world and some of them have more assets (larger capitalisation), than most nations in the world.

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*5. You have been a very successful civil engineer for ten years and your technical skills are excellent. However, you have no management experience. You are being interviewed for a team leader position. The team consists of eight members of three different nationalities and has equal numbers of men and women. Explain what you would say to the selection panel in relation to meeting the challenge of effectively managing a diverse team.*

Students will mostly use two approaches to answer this question. The first approach is to use the framework of essential management skills offered by Katz. Katz classified the essential skills into three distinct categories: technical, human and conceptual skills.

At the first level of management, *technical* skills are important. A technical skill is the ability to perform a particular task, which is regularly acquired through formal education and training. Technical skills are our strengths and they are strongly influenced by our interests. Students should outline their technical skills and discuss how they have in the past learned and refined these skills through work experiences. They should also note that they hope to continue learning and refining these and more skills in the future.

In organisations, employees have to work together in teams, which require *human* skills. Human skills include the ability to effectively work together with other people, and manage interpersonal relationships. Given the diversity anticipated for the team described in the question, students would need to discuss the good human skills they've developed over 10 years working with numerous different clients as a civil engineer. Students should note how they learnt to adapt and communicate successfully with different people, and how this is a transferable human skill that will assist in the managerial position. Students should extend their discussion to recognise that in the new position they would have a leadership responsibility to help others on the team develop and help the team function effectively.

The *conceptual* skill is the third critical skill, which involves analytical thinking and solution of complex problems. Finally, students should note conceptual skills gained so far that would be beneficial for a team manager. Ideally they should also note that they would expect opportunities to develop their conceptual or analytical skills in anticipation of higher level appointments. In terms of personal development students should recognise that the conceptual skills will increase in importance relative to the technical skills as they move upward in management responsibility.

The second approach students might use would be to refer to issues in relation to workforce diversity. This would involve the student discussing their experience of working with people with different educational and cultural backgrounds and how they successfully navigated around these challenges. They might note that it is important to find the strengths of individual team members and the areas in which they will excel.

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