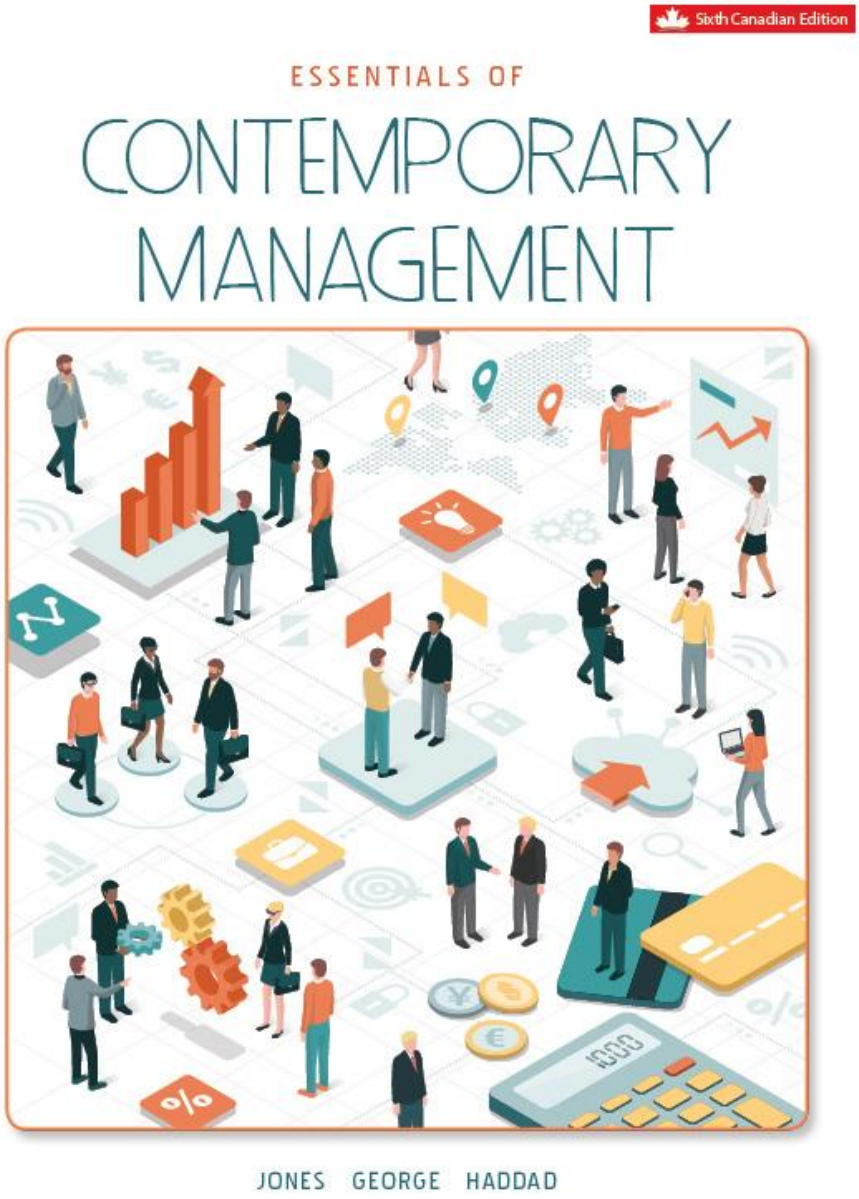
Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

SKU: 9781259654961-SOLUTIONS

PART 1 MANAGEMENT TODAY
CHAPTER ONE
MANAGERS AND MANAGING
INSTRUCTOR MANUAL



OVERVIEW OF THE CHAPTER

In this chapter we look at what management is, what activities or functions are involved in the management process, the types and levels of managers we find in organizations, how organizational culture affects the style of managing, and the skills and roles that effective managers need to perform well. By the end of this chapter, you will have an appreciation of the role of managers in creating a high-performing organization.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

LEARNING OUTCOMES

LO1 Describe what management is, what managers do, and how managers use resources to achieve organizational goals.

LO2 Distinguish among planning, organizing, leading, and controlling, and explain how managers' abilities to handle each one affect organizational performance.

LO3 Differentiate among the types and levels of management and understand the responsibilities of managers at different levels in the organizational hierarchy.

LO4 Distinguish among the kinds of managerial skills and roles that managers perform.

LO5 Understand how the shared values and norms influence organizational culture and affect managerial behaviour.

KEY TERMS

attitude
attraction–selection–attrition (ASA) framework
blended value
collective impact
conceptual skills
controlling
department
effectiveness
efficiency
emotional intelligence
emotions
first-line managers
instrumental value
interpersonal skills
job satisfaction
leading
management
manager
middle managers
mood
norms
organizational citizenship behaviours (OCBs)
organizational commitment
organizational culture
organizational performance
organizational socialization
organizational structure
organizations
organizing
performance level
planning
resources
role
social economy
strategy
technical skills
terminal value
top managers
top-management team
value system

LECTURE OUTLINE

Opening Case: "Management at Brick Brewing Co. Limited"

After reading and understanding the concepts in this chapter, you should be able to answer the following questions:

1. What kinds of activities or tasks are involved in planning, organizing, leading, and controlling at Brick Brewing?
2. Characterize the type and level of management described in the case.
3. What skills does Sean Byrne bring to the Brick Brewing Co. as a top manager?
4. Which of Mintzberg's managerial roles are illustrated in this case by each manager?

Answers are located in the WRAP-UP TO OPENING CASE after Key Terms in the text and at the end of this document on page 1**2**.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

I. WHAT IS MANAGEMENT?

When groups of people come together to pursue a common goal, often to satisfy their collective needs, various activities must be structured so that resources can be gathered and used to achieve the goal. The person or people who are assigned the task of keeping the whole group working toward the goal, deciding on timing and strategy and maintaining the structure of activities and relationships, are those who engage in *management*. The activities of managing are critical to any complex cooperative endeavour. **Management** is both the art and science of arranging and utilizing the physical and human factors of production toward a socially desirable outcome without interfering in nature's ability to regenerate itself.

1. Key Concepts.
   - ***a.*** **Organizations** are collections of people who work together and coordinate their actions to achieve a wide variety of goals.
   - b. **Social Economy** includes organizations that have both a social mission and create economic value.
   - c. **Blended Value** Organizations in the social economy that create both social impact and economic value
   - d. **Collective impact** Public, private and non-profit organizations working together to solve social problems.
   - e. **Management** is the planning, organizing, leading, and controlling of resources to achieve organizational goals effectively and efficiently.
   - ***f.*** **Resources** are assets such as people, machinery, raw materials, information, skills, and financial capital.
   - g. **Managers** are people responsible for supervising the use of an organization's resources to meet its goals.

2. Achieving High Performance: A Manager's Goal.
   - a. Organizations exist to provide goods and services that customers' desire. They range from non-profit and charities to traditional businesses. Organizations in between have blended value propositions. See Figure 1.1
   - b. **Organizational performance** is how efficiently and effectively managers use resources to satisfy customers and achieve organizational goals.
   - c. **Efficiency** is a measure of how well resources are used to achieve a goal.
     - i. Organizations increase their efficiency when managers reduce the amount of resources or time needed to produce a given amount of goods.
     - ii. A manager's responsibility is to ensure that an organization and its members perform all the activities that are needed to provide goods and services to customers as efficiently as possible.
   - d. **Effectiveness** is a measure of the appropriateness of the goals selected by managers.
     - i. Effectiveness is measured by the degree to which an organization has achieved its goals.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

3.. Why Study Management?

a. Managers make decisions about how to use scarce resources effectively and efficiently to create wealth and value for citizens and solve social problems.
b. Studying management helps people understand and deal with coworkers and bosses in solving conflict, achieving team goals and increasing performance.
c. Knowledge of management helps people secure have more satisfying jobs and prepares people for promotion and salary increases.

II. MANAGERIAL TASKS AND ACTIVITIES.

1. Management helps make the best use of resources by performing four essential managerial functions.
   a. These functions were outlined by Henri Fayol, a French manager in the early 1900s.
   b. Fayol identified four primary managerial functions: planning, organizing, leading, and controlling.
   c. Managers at all levels are responsible for performing these functions.

2. Planning.
   a. **Planning** is choosing appropriate goals and actions for the organization.
   b. There are five steps:
      i. Deciding which goals the organization should pursue.
      ii. Analyzing the organizational environment for threats and opportunities.
      iii. Deciding what courses of action or strategy to adopt to attain those goals.
      iv. Deciding how to allocate organizational resources to implement the plan.
      v. Evaluating whether or not the strategy achieved the goals.
   c. The outcome of the process is the organization's **strategy**, a cluster of decisions concerning what goals to pursue, what actions to take, and how to use resources to achieve goals.
   d. Planning is complex and difficult because of the uncertainty and risks involved.

3. Organizing.
   a. In **organizing**, managers establish the structure of working relationships between organization members that best achieves organizational goals.
      i. It involves grouping people into departments according to the tasks they perform.
      ii. Managers need to lay out lines of authority and responsibility between groups and people and decide how best to coordinate organizational resources.
      iii. The outcome of the process is an **organizational structure**, the formal system of reporting relationships.

4. Leading.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

a. In **leading**, managers determine direction, articulate a vision, and energize employees so that they can play a part in achieving goals.
b. Leadership involves using power, influence, vision, persuasion, and communication skills to coordinate the behaviours of individuals and encourage them to perform well.

5. Controlling.
   a. In **controlling**, managers evaluate how well an organization is achieving its goals and take corrective action to maintain or improve performance.
   b. Managers monitor whether performance meets expectations and, if not, take action to increase performance levels.
   c. This involves designing appropriate measurements and information and control systems.
6. The four managerial functions are essential to a manager's job.
   a. The relative importance of each changes with a manager's position in the hierarchy.

III. TYPES AND LEVELS OF MANAGERS:

1. Managers at each level have different, but related, types of responsibilities for acquiring, developing, and utilizing organizational resources.
   a. The **types of managers** are grouped into departments according to their specific job responsibilities.
   b. A **department** is a group of people who work together and possess similar skills or use the same kinds of knowledge, tools, or techniques to perform their jobs.
2. Levels of Management.
   a. **First-line managers** have the responsibility, on a day-to-day basis, to supervise subordinates.
   b. **Middle Managers.**

      Supervising first-line managers are the **middle managers**, who have the added responsibility to find the best way to combine human and other resources to achieve organizational goals.
      i. To increase efficiency, they try to find ways to help first-line managers and workers better utilize resources.
      ii. To increase effectiveness, middle managers are responsible for evaluating whether the goals an organization pursues are appropriate.

      Middle managers have the responsibility to find the best ways to use resources to achieve organizational goals.
      i. Part of the job is to nurture and develop the skills that are the source of an organization's competitive advantage.
      ii. Middle managers make thousands of specific decisions.

      To ensure that all departments work toward organizational goals, an organization needs to have managers whose tasks it is to coordinate between different departments—top managers.

   c. **Top Managers.**

      Top managers are responsible for the performance of all departments.
      i. They have a cross-departmental responsibility; deciding how the different departments should cooperate and help one another.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

ii. Another responsibility is to establish appropriate organizational goals and monitor how well middle managers use resources to achieve these goals.
iii. Top managers include the chief executive officer and the president who is the second in command.
iv. They are responsible for developing good working relationships between the heads of the various departments.
v. The CEO creates the **top management team**, a group of managers including the CEO, president, and the department heads most responsible for helping achieve organizational goals.
vi. Middle managers are typically a member of one of an organization's department and come to be distinguished by the skills they possess.
vii. Middle managers can become so preoccupied with supervising their own departments that they lose sight of organizational goals.

The higher the manager's position, the more time they spend on planning and organizing and less on leading. The lower positions spend more time on leading. See Figure 1.5 on the relative amounts of time managers spend on the four tasks.

Lecture Enhancer 1.1: "The Function of a Manager"

IV: MANAGERIAL SKILLS AND ROLES.

A. **Managerial Skills**.
1. Education and experience help managers acquire three managerial skills that let them perform their jobs effectively.
2. **Conceptual skills** include the ability to analyze a situation and distinguish between cause and effect.
   a. Planning and organizing require a high degree of conceptual skill.
   b. The level of conceptual skill needed varies, but top managers require the greatest amount.
   c. Managers need to develop the skills that allow them to understand the organization's "big picture."
3. **Human skills** include the ability to understand, alter, lead, and control the behaviour of people and groups.
   a. The ability to communicate, to coordinate and motivate people, is the principal difference between effective and ineffective managers.
   b. Every person needs to develop these skills.
   c. Feedback on performance from superiors, peers, and subordinates allows managers to develop their human skills.
4. **Technical skills** are job-specific knowledge and techniques.
   a. The specific kinds of technical skills depend up on the manager's position in the organization.
5. Effective managers need all three skills; the absence of even one can lead to failure.

B. Managerial Roles Identified by Mintzberg.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

1. Mintzberg felt that all the tasks managers need to perform can be reduced to ten different roles.
   a. Each **role** is concerned with influencing the behaviour of people inside and outside the organization.
   b. Managers may perform several roles at once. See Table 1.1.

2. *Interpersonal roles* are those assumed to effectively coordinate organizational employees and provide direction and supervision.
   a. As a *figurehead*, the manager symbolizes an organization and what it seeks to achieve.
   b. As a *leader*, the manager encourages subordinates to perform through his or her power obtained from formal authority and personal behaviour.
   c. In the *liaison role*, managers coordinate activities of people inside and outside the organization.
3. *Informational roles* are associated with the tasks necessary to obtain and transmit information.
   a. As a *monitor*, the manager analyzes information from internal and external environments.
   b. In the *disseminator role*, the manager transmits information to others in the organization to influence attitudes and behaviour.
   c. In the *spokesperson role*, a manager promotes the organization to positively influence the way people inside and outside the organization respond to it.
4. *Decisional roles* are associated with the methods managers use to plan strategy and use resources.
   a. In the *entrepreneurial role*, the manager decides which projects to initiate and how to invest resources.
   b. As a *disturbance handler*, a manager handles an unexpected event that threatens the organization.
   c. As a *resource allocator*, the manager decides how to allocate people and resources.
   d. In the *negotiator role*, a manager negotiates solutions between people and groups.

V. THE IMPACT OF VALUES AND ATTITUDES ON ORGANIZATIONAL CULTURE AND MANAGERIAL BEHAVIOUR

Values, attitudes, and moods and emotions capture how managers experience their jobs as individuals.

1. **Values** describe what managers are trying to achieve through work and how they think they should behave.
   a. **Terminal value** A lifelong goal or objective that an individual seeks to achieve.
   b. **Instrumental value** A mode of conduct that an individual seeks to follow
   c. **Norms** Unwritten, Informal codes of conduct that prescribe how people should act in particular situations and are considered important by most members of a group or organization.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

d. **Value system** The terminal and instrumental values that are guiding principles in an individual's life.

2. **Attitudes** are a collection of feelings and beliefs. They capture managers' thoughts and feelings about their specific jobs and organizations.
   a. **Job Satisfaction** The collection of feelings and beliefs that managers have about their current jobs.
   b. **Organizational Citizenship Behaviours (OCBs)** Behaviours that are not required of organizational members but that contribute to and are necessary for organizational efficiency, effectiveness, and competitive advantage.
   c. **Organizational Commitment** The collection of feelings and beliefs that managers have about their organization as a whole.

3.. **Moods and emotions** encompass how managers actually feel when they are managing. Research suggests that the subordinates of managers who experience positive moods at work may perform at somewhat higher levels and be less likely to resign and leave the organization than the subordinates of managers who do not tend to be in a positive mood at work. They also play an important role in ethical decision making.

   a. **Mood** A feeling or state of mind.
   b. **Emotions** Intense, relatively short-lived feelings.
   c. **Emotional Intelligence** The ability to understand and manage one's own moods and emotions and the moods and emotions of other people.

4. . **Organizational Culture**

   When people belong to the same organization, they tend to share certain beliefs and values that lead them to act in similar ways.
   a. **Organizational culture** comprises the shared set of beliefs, expectations, values, norms, and work routines that influence how members of an organization relate to one another and work together to achieve organizational goals.
   b. The stronger the culture of an organization, the more one can think about it as being the "personality" of an organization because it influences the way its members behave
   c. Organizations differ in:
      i. how members relate to each other (formally or informally),
      ii. how important decisions are made (top-down or bottom-up),
      iii. willingness to change (flexible or unyielding),
      iv. innovation (creative or predictable),
      v. and playfulness (serious or serendipitous).

5. **Managers and Organizational Culture**

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

Benjamin Schneider, a well-known management researcher who developed the ASA framework, found that when founders hire employees for their new ventures, they tend to be attracted to and choose employees whose personalities are similar to their own.

a. **Attraction–Selection–Attrition (ASA) Framework** A model that explains how personality may influence organizational culture.
    i. Managers determine and shape organizational culture through the kinds of terminal and instrumental values and norms they promote in an organization.
    ii. Values of the founder tend to permeate the organization
b. **Organizational Socialization** The process by which newcomers learn an organization‘s values and norms and acquire the work behaviours necessary to perform jobs effectively.
c. **Ceremonies and Rites of Passage** formal events that recognize incidents of importance to the organization as a whole and to specific employees. See Table 1.1 for examples and types of rites.
    i. Stories and language also communicate organizational culture.
    ii. **Material Symbols** convey to employees who is important, how much distance there is between top management and employees, and what kinds of behaviour are appropriate.
d. Culture and Managerial Action
    i. **Planning** An organization with an innovative culture is likely to encourage lower-level managers to take part in the planning process and develop a flexible approach to planning. In contrast, top managers in an organization with conservative values are likely to emphasize formal top-down planning.
    ii. Organizing Managers in an innovative culture are likely to try to create an organic structure, one that is flat, with few levels in the hierarchy, and in which authority is decentralized
    iii. **Leading** In an innovative culture, managers are likely to lead by example, encouraging employees to take risks and experiment. They are supportive regardless of employees succeeding or failing. In contrast, managers in a conservative culture are likely to develop a rigid management by objectives system and to constantly monitor subordinates’ progress toward goals, overseeing their every move. We examine leadership in detail in Chapters 8 and 9 when we consider the leadership styles that managers can adopt to influence and shape employee behaviour.
    iv. **Controlling** The ways in which managers evaluate and take actions to improve performance differ depending on whether the organizational culture emphasizes formality and caution or innovation and change.

FOCUS ON THE SOCIAL ECONOMY
Goodwill Industries

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

1. Research Goodwill Industries and find out how they help mitigate or buffer the forces of restructuring and outsourcing.

Answer:

Goodwill Industries started as a charity in the early 1900s with a specific mission to help people who are marginalized from finding employment. "[t]he mission has always been to create work opportunities and skills development for people facing barriers to employment - among them, persons with disabilities, youth at risk, the chronically unemployed, Aboriginal people and newcomers to Canada."[1] Restructuring and outsourcing reduce employment opportunities by shrinking the number of jobs available in the labour market of communities across the country. People who are laid off from restructuring and outsourcing can find help with skill development and other programs offered by Goodwill which focus on getting people back to work. Goodwill also provides training and employment for people who face significant barriers to employment for various reasons, including age, in their Goodwill stores. In Ontario, they employ over 700 people in 21 community stores. Goodwill also runs two social enterprises in Ontario providing janitorial services and mail, copy and light packaging services.

2. Describe the types and levels of managers found at Goodwill.

Answer:

Goodwill Industries is a non-profit charitable organization that is governed by a Board of Directors who are responsible for hiring the Executive Director or CEO. The Board has three subcommittees: Finance and Audit; Governance, and; Community Advisory committee. The Board of Directors does not run the day-to-day operations of the organization, that is the responsibility of the Executive Director or CEO and the senior management team. In general, Goodwill organizations have three levels of management. The top manager of a non-profit is usually referred to as the Executive Director. Middle managers include Director of Operations, Retail Operations and Human Resources. Under the Director of Operations are three First line managers: Transportation Supervisor, Recycling/Dock Supervisor and Plant Supervisor. Under the Retail Operations manager, we find individual store managers. And under Human Resources, are nonmanagerial Program Staff.[2]

LECTURE ENHANCERS

Lecture Enhancer 1.1
THE FUNCTION OF A MANAGER

As nearly everyone knows, a manager has practically nothing to do except to decide what is
to be done;
to tell somebody to do it;
to listen to reasons why it should not be done, why it should be done by someone else, or why it should be done in a different way;
to follow up to see if the thing has been done;
to discover that it has not;

[1] http://www.goodwill.on.ca. Accessed January 9, 2013.
[2] http://www.wvgoodwill.org/orgchart2011.pdf. Accessed January 9, 2013.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

to inquire why;
to listen to excuses from the person who should have done it;
to follow up again to see if the thing has been done, only to discover that it has been done incorrectly;
to point out how it should have been done;
to conclude that as long as it has been done, it may as well be left where it is;
to wonder if it is not time to get rid of a person who cannot do a thing right;
to reflect that he probably has a wife and a large family, and that certainly any successor would be just as bad, and maybe worse;
to consider how much simpler and better the thing would have been done if one had done it oneself in the first place;
to reflect sadly that one could have done it right in 20 minutes, and, as things turned out, one has had to spend two days to find out why it has taken three weeks for somebody else to do it wrong. *(Anonymous)*

END OF CHAPTER CONTENT

SUMMARY AND REVIEW

LEARNING OUTCOMES REVISITED

LO1 What Is Management? A manager is a person responsible for supervising the use of an organization's resources to meet its goals. An organization is a collection of people who work together and coordinate their actions to achieve a wide variety of goals. Management is the process of using organizational resources to achieve organizational goals effectively and efficiently through planning, organizing, leading, and controlling. An efficient organization makes the most productive use of its resources. An effective organization pursues appropriate goals and achieves these goals by using its resources to create the goods or services that customers want.

LO2 Managerial Tasks and Activities The four principal managerial tasks are planning, organizing, leading, and controlling. Managers at all levels and in all departments of the organization perform these functions in varying degrees. Effective management means managing these activities successfully.

LO3 Types and Levels of Managers Managers are characterized by level and function. Functions typically include marketing, operations, human resources, accounting and finance, and research and development. Organizations typically have three levels of management. First-line managers are responsible for the day-to-day supervision of nonmanagerial employees. Middle managers are responsible for developing and utilizing organizational resources efficiently and effectively. Top managers have cross-departmental responsibilities. The top managers' job is to establish appropriate goals for the entire organization and to verify that department managers are using resources effectively and efficiently to achieve those goals.

LO4 The Impact of Values and Attitudes on Organizational Culture and Managerial Behaviour The values, attitudes, moods, and emotions of managers affect the shared set of beliefs, expectations, norms, and work routines—or organizational culture—that shape how managers plan, organize, lead, and control organizational resources to achieve goals. Organizational socialization is the process by which newcomers learn an

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

organization's values and norms and acquire the work behaviours necessary to perform jobs effectively.

LO5 Managerial Skills and Roles Three types of skills help managers perform their roles effectively: conceptual, interpersonal, and technical skills. According to Mintzberg, managers play 10 specific roles in their daily activities: figurehead, leader, liaison, monitor, disseminator, spokesperson, entrepreneur, disturbance handler, resource allocator, and negotiator.

WRAP-UP TO OPENING CASE

Management at Brick Brewing Company Limited

In the opening case you were introduced to two top managers at Brick Brewing Co., Sean Byrne, CFO, and George Croft, CEO. After having read and understood the concepts in this chapter you should now be able to answer the following questions:

1. *What kinds of activities or tasks are involved in planning, organizing, leading, and controlling at Brick Brewing?*

   ANSWER: Planning involves setting organizational goals and finding the best ways, or strategy, to achieve them. The top managers at Brick Brewing Company use several strategies concurrently to offer quality and value products to its customers. Purchasing the rights to Seagram Coolers strengthens their goal to provide specialty beverages. They are credited with founding the craft beer renaissance in Canada and have won awards for their premium craft beers, thereby differentiating themselves from other breweries. Brick Brewing also offers the lowest legally priced beer with its Laker brand, indicating a low-cost strategy can co-exist with a differentiation strategy.

   Organizing involves putting people and allocating resources into jobs and grouping jobs together to coordinate tasks and achieve organizational goals. It involves creating lines of authority and establishing reporting relationships. In this case, Sean Byrne is responsible for the financial management of the company. In his capacity as CFO he allocated the funds necessary to purchase the Seagram Cooler brand from Corby and oversaw the deal to license the brand in Quebec. He reports directly to George Croft, CEO.

   Leading involves creating and communicating a vision for the organization that motivates people to achieve organizational goals. George Croft and Sean Byrne created a high-performing team that won the company recognition for their premium beers, while also providing the cheap brand that is very popular among consumers. The vision: to sell a quality product at a reasonable price.

   Controlling involves determining how well organizational goals have been achieved and taking corrective actions to improve performance. Brick Brewing achieves its goals by using quality assurance techniques to carefully monitor its brewing practices. This ensures a high level of performance.

2. *Characterize the type and level of management described in the case.*

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

ANSWER: Sean Byrne as chief financial officer (CFO) is a top manager at Brick Brewing Co. His functional or departmental area is finance. He would likely supervise middle and first-line managers in the finance department.

George Croft is the top manager as chief executive officer (CEO). Sean Byrne would be part of his top management team, as would other heads or vice-presidents of other departments. The CEO is responsible for the overall well-being and operation of the whole organization. He or she sets the vision, organizational goals, and strategy.

3. *What skills does Sean Byrne bring to the Brick Brewing Co. as a top manager?*

ANSWER: All three sets of managerial skills are evident in this case on the part of Sean Byrne: conceptual skills are evident in the use of "business judgment and contribution to overall strategy"; interpersonal skills are evident in negotiating the licensing arrangement in Quebec; and technical skills are evident in his role as a professional chartered accountant and secretary to the audit committee of the Board.

4. *Which of Mintzberg's managerial roles are illustrated in this case by each manager?*

ANSWER: In performing interpersonal roles, Croft illustrated the specific managerial role of leading when he hired Byrne. Byrne acts as a leader in creating a high-performance auditing team. Brick Brewing's top managers act in the role of a figurehead when they sponsor charitable events and as a liaison when they act in partnership with community organizations. A spokesperson reported the acquisition of the Canadian rights to distribute the Seagram Coolers brands from Corby Distilleries by Brick Brewing Co. In performing decisional roles, the founder of the company acted as an entrepreneur when he started up the first craft brewery in Ontario in 1984. Subsequent managers have acted as entrepreneurs when introducing new brands such as Laker, Red Cap, and Formosa Springs Draft. Top managers acted in the role of entrepreneur when they struck a deal under its co-packaging agreements, to produce, sell, market and distribute various beer products on behalf of Loblaws Inc. under the licensed President's Choice® ("PC®") trademark and again with bottling the Mott's Caesar brand in under a contract with Canada Dry Mott's, Inc. ("CDMI").

MANAGEMENT IN ACTION

TOPICS FOR DISCUSSION AND ACTION

Level 1: Knowledge and Comprehension

1. *Describe what management is and what managers do to achieve organizational goals.*

Answer:
Management is the process of efficiently and effectively acquiring, developing, protecting, and utilizing organizational resources in the pursuit of organizational goals through planning, leading, organizing and controlling.
Planning is a process or procedure used by managers so that they choose more appropriate goals and courses of action for the organization.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

In ***organizing*** managers establish the structure of working relationships between organizational members that best allows them to work together to achieve organizational goals.
In ***leading***, managers determine direction, articulate a clear vision for employees to follow, and energize and enable employees so that they understand the part they play in achieving organizational goals.
In ***controlling***, managers evaluate how well an organization is achieving its goals and take corrective action to maintain or improve its performance.

2. *Describe the difference between efficiency and effectiveness.*

Answer:
An organization's performance is directly tied to the levels of efficiency and effectiveness exhibited by managers within the organization. Efficiency can be described as a measure of how well or productively resources are used to achieve an organizational goal. Efficiency can be increased by minimizing inputs needed to achieve desired outputs. Effectiveness is a measure of the appropriateness of the goals chosen and the degree to which they are achieved. Organizations are more effective when managers choose appropriate goals and then achieve them. Efficiency refers to how goals are achieved, while effectiveness refers to the appropriateness and utility of those goals.

3. *Describe the primary responsibilities of the three levels of management and discuss the skills they use in carrying out their roles and duties.*

Answer:
Managers at various levels within an organization have different but related types of responsibilities for utilizing organizational resources to increase efficiency and effectiveness. First-line managers have the day-to-day responsibility of supervising human resources, the employees or non-managerial employees who actually perform the activities necessary to produce goods and services. Given the knowledge of day-to-day operations that first-line managers have, they are often in good positions to make suggestions to middle managers on how processes can be made more effective and efficient. They utilize human skills in leading and motivating non-managerial employees and technical skills in training, evaluating and controlling human resources. Conceptual skills are utilized least in carrying out the roles and duties of the first line manager.

Middle managers supervise the first-line managers and have the added responsibility to find the best way to combine human and other resources to achieve organizational goals. Middle managers increase efficiency by finding ways to help first-line managers and employees better utilize resources in order to reduce manufacturing costs or improving the way services are provided to customers. To increase effectiveness, middle managers are responsible for evaluating whether or not the goals that an organization is pursuing are appropriate and for suggesting ways in which they should be changed. Since achieving these goals efficiently is the main focus, middle managers try to find the best ways to use organizational resources. They also nurture and develop the organizational skills necessary for an organization to be efficient and effective. Middle managers utilize human, conceptual and technical skills in organizing and allocating resources to achieve organizational goals.

Top managers are at the apex of the managerial pyramid. They are responsible for supervising all the departments in an organization and deciding how the different departments can cooperate and work together to achieve organizational goals. They are ultimately responsible for the success or failure of an organization. Top managers are responsible for establishing appropriate organizational goals and monitoring the performance of each department in achieving those goals. Most of their time is devoted to planning and organizing resources to maintain and improve efficiency and effectiveness, which determine an

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

organization's long-term performance. They primarily utilize conceptual and human skills in strategic planning and organizing.

Level 2: Application and Analysis

4. *Ask a middle or top manager, perhaps someone you already know to give examples of how he or she performs the management functions of planning, organizing, leading and controlling. How much time does he or she spend in performing each function?*

Answer:
(**Note to instructor:** Due to the nature of this question, individual answers may differ widely, though students should address the following points in their answers.)

Mark Jayton is a production manager at clothing manufacturing company. In our discussion he informed me that he performs all four management functions in varying degrees. He spends time at the end of each month, quarter and year planning depart mental budgets, goals, and strategies for the upcoming period. Once these strategic tools are completed, he must disseminate the information to both his superiors and subordinates. He spends time organizing on a weekly basis, when he must determine which project team should work on which production line and in what order the projects should be completed. By organizing he needs to ensure that he is using his human and material resources to their full capacity. Mark spends some time each day leading his employees. He must motivate them to produce quality work and listen to their concerns and problems on a regular basis. Mark performs the controlling function on a constant basis as he monitors the performance of his department at all levels so that he is able to be proactive in dealing with any issues or problems that could arise.

5. *Like Mintzberg, try to find a cooperative manager who will allow you to follow him or her around for a day. List the types of roles the manager plays and how much time he or she spends performing them.*

Answer:
(**Note to instructor:** Due to the nature of this question, individual answers may differ widely, though students should address the following points in their answers.)

Peter Johnson is a manager of a real-estate office. Performing this job requires Peter to perform many of Mintzberg's roles that encompass the managerial functions of planning, organizing, leading and controlling organizational resources. Peter acts as a *figurehead*; a person who symbolizes an organization and what it is seeking to achieve. He establishes for his field agents the appropriate ways to behave in an organization with his professional manner and enthusiasm. This role requires constant attention, and is exhibited in his personality and mannerisms. Much of Peter's time is devoted to acting as a *leader* for his employees, motivating his employees to perform at a higher level by training, counselling, and mentoring them. Another main part of Peter's job is in the liaison role, linking and coordinating activities of people and groups both inside and outside the organization. Disseminating information is also an integral part of Peter's job. By acting as a *monitor*, Peter analyzes information to effectively organize and control resources, while his role as a *disseminator* involves sharing this information with his employees to influence their work and behaviour. Finally, Peter does play some decisional roles within his organization, working as a *resource allocator* who decides how to allocate people and other resources, and a *negotiator*, who manages solutions between groups with competing interests.

6. Study an organizational culture in term s of its' socialization processes and write a short report on your findings.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

Answer:
(**Note to instructor:** Due to the nature of this question, individual answers may differ widely, though students should address the following points in their answers.)
Every report should include what organizations do to teach their employees the organizational culture- the appropriate way to behave and what is expected of them. The values and norms are shared and internalized by newcomers through training and learning the 'ropes'. The values of the founder, ceremonies and rites of passage, and material symbols teach organizational members the shared norms and values.

Level 3: Synthesis and Evaluation

7. *Evaluate one (real) organization that you believe to be efficient and effective and one organization that you assess to be inefficient and ineffective in their use of resources. Give evidence to support your evaluation.*

(**Note to instructor:** Due to the nature of this question, individual answers may differ widely)
Answer:
An example of an efficient and effective organization is Nike. By constantly introducing new products, such as the All Conditions Gear line, to expand their customer base, Nike remains responsive to customer needs. Examples of inefficient organizations include some branches of the armed forces and other government agencies. The armed forces have often been criticized for paying exorbitant prices for basic materials, which is not efficient use of resources. Many government organizations are bureaucratic, which may mean that they are not utilizing human resources efficiently.

8. *Put yourself in the position of a first line manager of a men's clothing department in a retail store. What skills and roles would you use in your daily work? What activities would you likely be involved in?*

Answer:
First-line managers have the day-to-day responsibility of supervising human resources, the employees or non-managerial employees who actually perform the activities necessary to produce goods and services. Given the knowledge of day-to-day operations that first-line managers have, they are often in good positions to make suggestions to middle managers on how processes can be made more effective and efficient. They utilize human skills in dealing directly with customers and customer service as well as in leading and motivating non-managerial employees. Technical skills are used in training, evaluating and controlling the sales people who report to him or her. Conceptual skills are utilized least in carrying out the roles and duties of the first line manager, however, problem solving skills are needed to deal with contingencies that arise.
When a first line manager acts as a *figurehead,* they are a person who symbolizes an organization and what it is seeking to achieve. He or she establishes for the sales people the appropriate ways to behave in an organization with his professional manner and enthusiasm. This role requires constant attention, and is exhibited in ones personality and mannerisms. Much of the first line managers' time is devoted to acting as a *leader* for his or her employees, motivating them to perform at a higher level by training, counselling, and mentoring them. Another main part of the job is in the liaison role, linking and coordinating activities of people and groups both inside and outside the organization. Disseminating information is also an integral part of the first line managers' job. By acting as a *monitor*, they analyze information to effectively organize and control resources, while their role as a *disseminator* involves sharing this information with their employees to influence their work and behaviour. Finally, the first line

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

manager does play some decisional roles within the store, working as a *resource allocator* who decides how to schedule people and use other resources, and a *negotiator*, who manages solutions between groups with competing interests.

First-line managers would likely be involved in supervising the employees or non-managerial employees who actually perform the activities necessary to produce goods and services. In the planning function they might set daily productivity goals for employees. Scheduling shifts is an example of the organizing function. Training, counseling and mentoring employees illustrates how first line managers lead. In the control function, they would monitor the progress toward goal achievement and make corrective adjustments if necessary. They would check all inputs for quality, practice management by walking around to check on behavioural standards and seek customer feedback. Given the knowledge of day-to-day operations that first-line managers have, they are often in good positions to make suggestions to middle managers on how processes can be made more effective and efficient.

9. *Explain how the managerial functions of planning, leading, organizing and controlling differ with all three levels of management.*

Answer:

Managers at various levels within an organization have different but related types of responsibilities for planning leading organizing and controlling organizational resources.
Planning is a process or procedure used by managers so that they choose more appropriate goals and courses of action for the organization.
In ***organizing*** managers establish the structure of working relationships between organizational members that best allows them to work together to achieve organizational goals.
In ***leading***, managers determine direction, articulate a clear vision for employees to follow, and energize and enable employees so that they understand the part they play in achieving organizational goals.
In ***controlling***, managers evaluate how well an organization is achieving its goals and take corrective action to maintain or improve its performance.
First-line managers have the day-to-day responsibility of supervising human resources, the employees or non-managerial employees who actually perform the activities necessary to produce goods and services. In the planning function they might set daily productivity goals for employees. Scheduling shifts is an example of the organizing function. Training, counseling and mentoring employees illustrates how first line managers lead. In the control function, they would monitor the progress toward goal achievement and make corrective adjustments if necessary. They would check all inputs for quality, practice management by walking around to check on behavioural standards and seek customer feedback. Given the knowledge of day-to-day operations that first-line managers have, they are often in good positions to make suggestions to middle managers on how processes can be made more effective and efficient.

Middle managers supervise the first-line managers and have the added responsibility to find the best way to combine human and other resources to achieve organizational goals. Middle managers increase efficiency by finding ways to help first-line managers and employees better utilize resources in order to reduce manufacturing costs or improving the way services are provided to customers. To increase effectiveness, middle managers are responsible for evaluating whether or not the goals that an organization is pursuing are appropriate and for suggesting ways in which they should be changed. Since achieving these goals efficiently is the main focus, middle managers try to find the best ways to use organizational resources. They also nurture and develop the organizational skills necessary for an organization to be efficient and effective.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

Top managers are at the apex of the managerial pyramid. They are responsible for supervising all the departments in an organization and deciding how the different departments can cooperate and work together to achieve organizational goals. They are ultimately responsible for the success or failure of an organization. In planning, Top managers are responsible for establishing appropriate organizational goals and monitoring the performance of each department in achieving those goals. Most of their time is devoted to planning and organizing resources to maintain and improve efficiency and effectiveness, which determine an organization's long-term performance.

SELF-REFLECTION EXERCISE

(**Note to Instructor:** Due to the nature of this question, individual answers may differ widely)

In each chapter, you will find the Management for You *feature, which gives you some ideas on how to apply this material to your personal life. We do this to help reinforce the idea that management is not just for-managers—all of us manage our lives and can apply many of the concepts in this book.*
Think about where you hope to be in your life five years from now (i.e., your major goal). What is your competitive advantage for achieving your goal? What do you need to plan, organize, lead, and control to make sure that you reach your goal? Looking over Mintzberg's managerial roles (seeTable1.1), which roles do you perform in your daily life? Give examples

SMALL GROUP BREAKOUT EXERCISE

Assume you and your team-mates belong to a fusion rock band. The leader of the group wrote a proposal that will go before City Council to get a license to hold a concert. The band's leader calls a meeting to tell you that it has been accepted by the Council with the strict condition that the band ensure that no laws are violated and the safety of all the concert-goers is maintained. Your group accepts the terms and now must figure out how to manage the event.

1. *What set of skills did the leader mostly use in creating the proposal?*
   Answer: Conceptual skills are used in planning the event, setting goals and figuring out the best course of action to achieve them. Technical skills would also be used in the proposal to detail the types and costs of equipment needed to put on the event.

2. *What must now be done to plan this event effectively and efficiently?*
   Answer: To plan this event effectively, appropriate goals must be set and decisions must be made on how best to achieve them. For example, If the goal is to sell 500 tickets, a venue that is large enough must be found. To achieve this goal efficiently, the cost of renting the venue must be minimized.

3. *What kinds of resources must the band use in organizing the event?*
   Answer: Resources include all equipment involved in putting on the concert, including sound, lighting and instruments; human resources needed to staff and monitor the event; finances to cover the costs; etc.

4. *Identify the managerial role the leader engaged in:*
   a. *when he or she called the meeting of the band*
      Answer: Disseminator
   b. *when he or she meet with the City Council*
      Answer: Liaison

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

c. *when the group accepted the terms of the agreement*
Answer: Negotiator

5. *How could the leader of the band lead the group to put on a successful concert?*
Answer: the leader of the band must hire, train and motivate any staff needed. The leader must motivate the other members of the band to put on a successful concert.

6. *What kind of control measures could the group take to live up to their agreement with the Council?*
Answer: The band must monitor and evaluate behaviour of the ticket holders to ensure that no laws are violated, that everyone is safe and must take corrective action if any problems arise. Control measures they might take include searching patrons upon entering for illegal drugs and alcohol, have emergency medical services standing by or alerted that the concert is taking place, and remove any patrons causing a disturbance.

BUSINESS PLANNING EXERCISE (REFER TO APPENDIX A):

(Note to Instructors: See Connect Online. At the end of each chapter a business planning exercise will help students apply what they have learned to the exercise of writing a business plan. **All the answers are based on the case of writing a business plan for a new restaurant.)**

OPENING A NEW RESTAURANT
You and two partners are thinking about writing a business plan for a large restaurant in your local community. Each of you can invest $25,000 in the venture and with a solid business plan you hope to secure an additional investment of $450,000 in the form of a bank loan. You and your partners have little experience in the food industry beyond serving meals or eating in restaurants. But after reading this chapter, you now a little bit about more about how you will manage it.

1. *Decide what activities and tasks the three levels of management should be responsible for in the restaurant.*

Answer:
Students should address the roles and responsibilities of first-line, middle, and top managers. Supervisors should be hired to directly supervise the wait staff and the kitchen staff for morning, afternoon, and evening shifts.
A middle manager should be hired to supervise all first-line managers, and find the best way to utilize resources to help the restaurant achieve its goals. The middle manager will be responsible for purchasing and finding the best ways to make use of restaurant resources. The middle manager will also evaluate whether or not the goals of the restaurant are appropriate and suggest ways in which they should be changed. For example, if there are many family-style restaurants in the area, the middle manager will establish goals for making this restaurant superior to its competitors, by implementing a low-cost strategy or otherwise differentiating the restaurant. The middle manager will also be responsible for training, motivating and rewarding the kitchen, wait staff, and supervisors.
The primary investors should serve as top managers who are responsible for the performance the restaurant and its staff. Top management will make decisions about menu decisions, price setting, marketing, and how the different employees and supervisors should cooperate and help one another to achieve the restaurant's goals.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

2. *How should you and your partners go about (a) planning, (b) organizing, (c) leading, and (d) controlling resources effectively in opening a new restaurant?*

Answer:
Management must plan, which involves deciding which goals an organization should pursue, what courses of action to adopt to attain those goals, and how to allocate organizational resources to attain those goals. The partners need to decide if they will focus on food quality, low prices, speed of service, or uniqueness of style in the restaurant.
In organizing or establishing the structure of working relationships between organizational members that best allows them to work together to achieve organizational goals, management must decide how to structure the reporting system and hierarchy of authority so that problems can be solved quickly. Employees need to know to whom they can turn to give suggestions and make their voices heard.
In leading, management must coordinate the behaviours of all restaurant staff, resulting in a high level of motivation and commitment from everyone. A fair and adequate compensation system and bonuses tied to good performance would likely result in high performance and commitment.
In controlling, management must decide how they will evaluate how well the organization is achieving its goals. Sales and customer satisfaction would seem to be adequate measures of this aspect of managing.

MANAGING ETHICALLY

1. Why are some people unethical, while others would not even consider doing what is described above?
2. Is ethics an internal force in each individual, or can you educate people in ethics, or can people be made to be ethical?
3. How do-you define “unethical” in this case? Do you think it is possible for businesses to be ethical?
4. What was the gain for the managers?

Answer:
(**Note to Instructor:** Due to the nature of these questions, individual answers may differ widely)

Ethics will vary based on individual and cultural characteristics as well as in different situations. Sometimes the goals and targets are very difficult to reach, and managers feel pressured to resort to unethical behaviour to meet them. Dishonesty is unacceptable regardless of the circumstance. Employees should be careful to avoid conflicts of interest that may cause others to question their integrity. Although those involved in such unethical situations may perhaps benefit in the short run, in the long run they harm not only their customers and their companies, but also themselves.

Training in ethics raises awareness of issues and helps others to look at different aspects of an issue. Establishing an organizational code of ethics and making all employees aware of it can encourage ethical behaviour. It is also important that managers always engage in ethical conduct, so that they can lead by example.

MANAGEMENT CHALLENGE EXERCISE

Diagnosing Culture

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

Think about the culture of the last organization you worked for, your current university, or another organization or club to which you belong. Then answer the following questions:

(**Answers will vary according to the organization)**
1. What values are emphasized in this culture?
Answer:
The two kinds of personal values are *terminal* and *instrumental.* A **terminal value** is a personal conviction about lifelong goals or objectives; an **instrumental value** is a personal conviction about desired modes of conduct or ways of behaving.28 Terminal values often lead to the formation of **norms.**

2. What norms do members of this organization follow?

Answer:
Norms are unwritten, informal codes of conduct, such as behaving honestly or courteously, that prescribe how people should act in particular situations and are considered important by most members of a group or organization.

3. Who seems to have played an important role in creating the culture?
Answer:
The values of the founder play a role in creating the culture of any organization. Employees and managers help to shape the culture.
4. In what ways is the organizational culture communicated to organizational members?
Answer:
Organizational culture is communicated through socialization, rites of passage and stories and language. Material symbols convey to employees who is important, how much distance there is between top management and employees, and what kinds of behaviour are appropriate.

MANAGEMENT PORTFOLIO PROJECT

(Note to Instructors: There is a "MANAGEMENT PORTFOLIO PROJECT" exercise at the end of every chapter in this book. Students will choose one organization that they will track as they work through the chapters in the book.)

You may be asked to follow and analyze an organization over the semester to help you build your management skills. Each chapter will have an exercise that asks you to evaluate how the issues in the chapter are dealt with by your organization. Choose a large well known publically traded Canadian company that is easy to research through company web sites, newspapers, the Canadian Securities Administrators' web site, SEDAR.com and company annual reports. Cite all the sources of information you use with an appropriate method.

Answer the following questions of the organization you have chosen to follow:

1. Give a brief profile of the organization. How large is it in terms of number of employees, annual revenues, profits, location of facilities, etc. What kinds of products or services does it provide?
2. Give a brief profile of the industry in which it operates. Under what industrial classification does it fall? How many competitors are active? Who is their target market?
3. Identify the top management team. Who is the CEO and what is his or her background? Give examples of the activities of the CEO that illustrate how they engage in the management processes of planning, organizing, leading and controlling.

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

MANAGEMENT CASE

Volkswagen CEO Resigns as Car Maker Races to Stem Emissions Scandal

Volkswagen AG raced Wednesday to contain the widening scandal threatening Germany's most important company, ousting its chief executive and pledging to prosecute those involved in a scheme to cheat U.S. auto-pollution tests.

CEO Martin Winterkorn's resignation follows a calamitous few days after Friday's disclosure by the U.S. Environmental Protection Agency that Europe's biggest auto maker employed software on some VW and Audi diesel-powered cars to manipulate the results of routine emissions tests.

Questions:

1. Was the CEO's resignation the right thing to do? Why or why not?

Answer:

Student answers will vary. The CEO is the top manager of the organization. As such, they are ultimately responsible for the actions of the company, even if it is true that he did not have any knowledge of the misconduct.

2. In addition to the economic fallout, what other impact could the emissions scandal have on the company's managers? On its employees?

Answer:

The economic fallout is clear. The stock dropped 29% immediately upon the breaking news. What is less clear is how the reputation of deceitful behaviour will affect the management and employees going forward. The culture of VW Group has been characterized as insular and 'clubby'. No one knows the extent of the deceit- how widespread it was and who know about it. The bruised reputation will affect the culture of the organization negatively and may impact how the management process of control is carried out in the future.

3. How can the company retain current customers?

Answer:

The battered reputation of the company will no doubt cause brand loyalty among customers to decline. Some customers will take the attitude that all the auto manufacturers cheat and it was bad luck for VW Group to be caught. Others will never recover from being lied to. VW Group must cultivate new customers and repair relations with existing ones. Student ideas on how to do this will vary. The company must play on its' strengths to appeal to the needs and desires of potential customers. They may try to differentiate themselves from their competitors by

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual

promoting superior German engineering and innovation. The question is, how will the market respond?

Essentials of Contemporary Management (Canadian) 6th edition Jones Solutions Manual