# *M Management 7th edition Bateman Solutions Manual*

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# CHAPTER 1

# Managing in a Global World

## CHAPTER CONTENTS

Learning Objectives 2

Key Student Questions 2

Class Roadmap 4

Key Terms Presented in This Chapter 14

Green Case 16

Discussion Starters 17

Lecturettes 25

Lecturette 1.1: An Analysis of United States versus Japanese Management

Lecturette 1.2: An Examination of Managerial Roles



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## LEARNING OBJECTIVES

**LO1 Describe the four functions of management.**

**LO2 Understand what managers at different organizational levels do.**

**LO3 Define the skills needed to be an effective manager.**

**LO4 Summarize the major challenges facing managers today.**

**LO5 Recognize how successful managers achieve competitive advantage.**

## KEY STUDENT QUESTIONS

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



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

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

- To increase class involvement, ask two or three students to describe the best managers they have ever known. Capture what the students say, and then ask the class to tell you what similarities and differences they hear in the stories. Link the similarities to the skills needed for planning, organizing, leading, and controlling, and then discuss the differences in terms of leadership style and the flexibility leaders need to react differently to different situations. It is important to let students know that there is no single set of guidelines to become a "good" manager. The best managers are the ones who have a wide range of skills that they apply differently in various situations. Then ask students to describe situations they have encountered recently where they needed to use planning,



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organizing, leading, and/or controlling. Based on the discussion, help students to see that the best way for them to apply the material is to think about how to use each concept in their own lives. One useful analogy here is to compare technical, interpersonal, and conceptual skills to different types of tools—not every tool is right for every person, and not every tool is right for every task, but the more tools you have in a toolbox, the more likely it is that you will be able to get the job done effectively.

- To maintain more control over the class, start the class by saying "This is your first day as a manager." Explain that whenever anyone creates a "to do" list they are planning, whenever anyone tries to persuade someone else to do something they are leading, whenever anyone checks to see if they have enough money in their checking account to take a vacation they are organizing, and whenever anyone balances their checking account they are controlling. Go on to explain that just as people have different styles of writing "to do" lists and managing their money, managers use different styles of management, but that certain key skills have emerged, and that the purpose of the class is to help students learn those skills.

## Teaching Tip

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

- Go over the class syllabus (which helps the students understand my expectations for the class);
- Find out from the students what their expectations are for the class (I record these, and at the end of the term ask students if they have been met); and
- Cover some introductory material from Chapter 1 of the text (usually managerial skills, levels of management, etc.). By starting to lecture and discuss material on the first day of class, you convey your excitement about the subject matter, and you help your students become more excited about it, too.



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# CLASS ROADMAP

For instructors using the provided PowerPoint presentation in their class, slides that correspond with elements in the class roadmap are indicated by the slide number found ***flush right***.

[PPT: Chapter 1 Managing in a Global World]

Prior to discussing the chapter content, instructors may wish to review the chapter learning objectives.

[PPT: 2-2]

## LO1: Describe the four functions of management.

## THE FOUR FUNCTIONS OF MANAGEMENT

[PPT: 1-3–1-4]

A. **Management** is the process of working with people and resources to accomplish organizational goals.
B. Good managers do those things both effectively and efficiently:
    1. To be *effective* is to achieve organizational goals.
    2. To be *efficient* is to achieve goals with minimal waste of resources.

[PPT: 1-5–1-6]

### 1.1 Planning helps you deliver value

1. **Planning** is specifying the goals to be achieved and deciding in advance the appropriate actions taken to achieve those goals.
2. Planning activities include analyzing current situations, anticipating the future, determining objectives, deciding in what types of activities the company will engage, choosing corporate and business strategies, and determining the resources needed to achieve the organization's goals (see Exhibit 1.1).
3. The planning function can also be described as *delivering strategic value*.



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[PPT: 1-7]

### 1.2 Organizing resources achieves goals

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

[PPT: 1-8]

### 1.3 Leading mobilizes your people

1. **Leading** is stimulating people to be high performers.
2. Activities include motivating and communicating with employees, individually and in groups.
3. Leaders guide and inspire employees toward achieving team and organizational goals.

[PPT: 1-9]

### 1.4 Controlling means learning and changing

1. **Controlling** monitors progress and implements necessary changes.
2. This makes sure that organizational resources are used properly and goals are met for quality and safety.

[PPT: 1-10]

### 1.5 Managing requires all four functions

1. Most managers have to perform all four management functions more or less simultaneously.

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**CONNECT ACTIVITY: The Four Functions of Management at Trader Joe's**

**Activity Summary:** This Click-and-Drag activity involves identifying the management functions that are illustrated through the normal business activities at Trader Joe's. The student must read the case to become familiar with the activities at the retailer and then drag the example to the correct management function on the chart.



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**Learning Objectives:** LO1
**Topic:** Functions of Management
**Difficulty:** 2 Medium
**Bloom's:** Analyze; Apply; Understand
**AACSB:** Analytical Thinking
**Follow-Up Activity:** To illustrate this concept, students can identify the four functions of management in their own lives. Identifying how the functions exist in their world will allow them to understand the concept in the workplace. This activity can be done in small groups to engage the students in collaborative learning.

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## LO2: Understand what managers at different organizational levels do.

## FOUR DIFFERENT LEVELS OF MANAGERS

[PPT: 1-11–1-12]

### 2.1 Top managers strategize and lead

1. **Top-level managers** are senior executives of an organization and are responsible for its overall management and effectiveness.
2. Referred to as *strategic managers*, they focus on the survival, growth, and overall effectiveness of the organization.
3. The chief executive officer (CEO) is one type of top-level manager. Others include the chief operating officer (COO), company presidents, vice presidents, and members of the top management team.

### 2.2 Middle managers bring strategies to life

1. **Middle-level managers** are located in the organization's hierarchy below top-level management and above frontline managers.
2. Called *tactical managers*, they are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities.
3. Traditionally, the middle manager was an administrative controller bridging the gap between higher and lower levels.
4. Today's middle managers provide the operating skills and practical problem solving that keep the company working.



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### 2.3 Frontline managers are the vital link to employees

1. **Frontline managers** are *operational managers*, lower-level managers who supervise the operations of the organization.
2. They successfully implement operations in support of company strategy.
3. Frontline managers are increasingly called on to be innovative and entrepreneurial, managing for growth and new business development.

### 2.4 Team leaders facilitate team effectiveness

1. **Team leaders** engage in a variety of behaviors to achieve team effectiveness.
2. Team leaders are more like project facilitators or coaches.
3. Team leaders are expected to help their teams achieve important projects and assignments.

[PPT: 1-13–1-14]

### 2.5 Three roles that all managers perform (see Exhibit 1.3)

1. Interpersonal roles:
   a. Leader
   b. Liaison
   c. Figurehead
2. Informational roles:
   a. Monitor
   b. Disseminator
   c. Spokesperson
3. Decisional roles:
   a. Entrepreneur
   b. Disturbance handler
   c. Resource allocator
   d. Negotiator



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**CONNECT ACTIVITY: Fair Oaks Farms**

**Activity Summary:** This Video Case follows Fair Oaks Farm, a company that produces high-quality and ethically sourced dairy products. Students learn how Fair Oaks Farms successfully faces many managerial challenges.
**Learning Objectives:** LO 1, LO2, LO4, LO5
**Topic:** Managerial Challenges; Competitive Advantage; Managerial Skills; Functions of Management
**Difficulty:** 1 Easy; 2 Medium
**Bloom's:** Understand
**AACSB:** Knowledge Application
**Follow-Up Activity:** The instructor may wish to lead a discussion on the three roles that managers perform, as shown at Fair Oaks Farm. Have students provide examples from the video of the various roles these managers participate in: interpersonal, informational, and decisional.

[PPT: 1-15–1-17]

## LO3: Define the skills needed to be an effective manager.

## MANAGERS NEED THREE BROAD SKILLS

Managers need a variety of specific abilities that result from knowledge, information, aptitude, and practice (see Exhibit 1.4).

### 3.1 Technical skills

1. A **technical skill** is the ability to perform a specialized task that involves a certain method or process.
2. Lower-level managers who possess technical skills earn more credibility from their subordinates than comparable managers without technical know-how.

### 3.2 Conceptual and decision skills

1. **Conceptual and decision skills** involve the manager's ability to identify and resolve problems for the benefit of the organization and everyone concerned.

### 3.3 Interpersonal and communication skills

1. **Interpersonal and communication skills** influence the manager's ability to work well with people.



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2. These skills are often called *people skills* or *soft skills*.
3. **Emotional intelligence** (EQ) involves managers' ability to understand themselves, manage themselves, and deal effectively with others.

**CONNECT ACTIVITY: Likely to Succeed as an Executive?**

**Activity Summary:** This Case Analysis allows students to identify the characteristics it takes to be a successful manager. Students will read and analyze the case to determine Isabel McDonald's working style.
**Learning Objectives:** LO3
**Topic:** Managerial Skills
**Difficulty:** 1 Easy; 2 Medium
**Bloom's:** Apply; Understand
**AACSB:** Analytical Thinking
**Follow-Up Activity:** The instructor might expand on the concepts from the Case Analysis by having students discuss the specific managerial skills they can identify in the places they work or have worked. Students can identify a manager from their workplace and identify work activities the manager performs on a daily or weekly basis. What are the skills necessary for successful completion of the work activity? This follow-up activity can be done individually or collaboratively in small groups.

[PPT: 1-18]

## LO4: Summarize the major challenges facing managers today.

## MAJOR CHALLENGES FACING MANAGERS

[PPT: 1-19–1-20]

### 4.1 Business operates on a global scale

1. Many of today's enterprises transcend national borders to tap into international markets where incomes are rising and demand is increasing.
2. Another factor that is making globalization both more possible and more prevalent is the Internet.
   a. The Internet enables people to connect and work from anywhere in the world on a 24/7 basis.
   b. Globalization has opened up many opportunities, and schools should encourage their students to take advantage of them.



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### 4.2 Technology is advancing continuously

1. The Internet's impact on globalization is only one of the ways that technology is vitally important in the ever-changing business world.
2. Technology challenges come from the rapid rate at which communication, transportation, information, and other technologies change.
3. **Social capital** is goodwill stemming from your social relationships.
   a. Goodwill stemming from your social relationships is more important than ever and aids your career success, compensation, employment, team effectiveness, successful entrepreneurship, and relationships with suppliers and other outsiders.
   b. Build a large and diverse network.
4. Using technology effectively is more than a matter of learning new skills; it also involves making judgments about when and where to apply the technology for maximum benefit.

[PPT: 1-21]

### 4.3 Knowledge needs managing

1. **Knowledge management** is the set of practices aimed at discovering and harnessing an organization's intellectual resources.
2. Knowledge management is about finding, unlocking, sharing, and altogether capitalizing on the most precious resources of an organization:
   a. People's expertise
   b. Skills
   c. Wisdom
   d. Relationships

### 4.4 Collaboration boosts performance

1. Effective collaboration requires productive communications between different departments, divisions, or other subunits of the organization.
2. Customers can be collaborators; involve them more in company decisions.



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[PPT: 1-22]

**4.5 Diversity needs to be leveraged**

1. Diversity in the labor force continues to grow.
2. Managers need to leverage the diversity of their resources and talent in new ways.
3. Globalization, technological change, the monumental importance of new ideas, collaboration across disappearing boundaries, and diversity are a tidal wave of new forces.

**CONNECT ACTIVITY: Manager's Hot Seat: Globalization**

**Activity Summary:** This Video Case features Director of Communications for Zenith Fine Furnishings, Janet Kassevelli. The director oversees a special project and must contend with freelancers that essentially speak different languages—a visual artist and database programmer. The problem is that neither party can understand what the other wants or intends while blaming the other for work on the project not being completed. The freelancers look to the director to help them articulate their points in a different way. The Video Case is followed by a series of multiple-choice questions.
**Learning Objectives:** LO1, LO2, LO3
**Topic:** International Management
**Difficulty:** 1 Easy; 2 Medium
**Bloom's:** Apply
**AACSB:** Knowledge Application
**Follow-Up Activity:** Instructors could initiate a discussion on how culture can influence communication and leadership effectiveness. Students may be asked how they would coach the characters in the video to be more effective.

[PPT: 1-23]

## LO5: Recognize how successful managers achieve competitive advantage.

## SOURCES OF COMPETITIVE ADVANTAGE

To succeed, managers must deliver the fundamental success drivers: innovation, quality, service, speed, cost competitiveness, and sustainability.



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[PPT: 1-24]

**5.1 Innovation keeps you ahead of competitors**

1. **Innovation** is the introduction of new goods and services.
2. Innovation comes from people; it must be a strategic goal; and it must be managed properly.

**5.2 Quality must improve continually**

1. Quality historically pertained primarily to the physical goods that customers bought. It referred to its attractiveness, lack of defects, reliability, and long-term dependability.
2. Quality can be measured in terms of performance, various service dimensions, reliability (failure or breakdowns), conformance to standards, durability, serviceability, and aesthetics.

[PPT: 1-25]

**5.3 Services must meet customers' changing needs**

1. **Service** means giving customers what they want or need, when they want it.
2. An important dimension of service quality is making it easy and enjoyable for customers to experience a service or to buy and use products.

**5.4 Do it better *and* faster**

1. **Speed** involves rapid execution, response, and delivery of results. It often separates the winners from the losers.
2. For some companies, speed has become a strategic imperative.

[PPT: 1-26]

**5.5 Low costs help increase your sales**

1. **Cost competitiveness** means keeping costs low enough so the company can realize profits and price its products (goods or services) at levels that are attractive to consumers.
2. Managing your costs and keeping them down requires efficiency—using your resources wisely and minimizing waste.
3. If you can't cut costs and offer attractive prices, you can't compete.



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### 5.6 Sustainability

1. Reducing resource use and waste, especially resources that are polluting and nonrenewable, helps to achieve an important form of competitive advantage: sustainability.
2. One vital thing sustainability accomplishes is to protect and create options for moving forward.
3. Sustainability allows people to live and work in ways that can be maintained over the long term (generations) without destroying our environmental, social, and economic resources.

[PPT: 1-27]

### 5.7 The best managers deliver all six advantages

1. The best managers and companies don't pay attention to just one competitive advantage—they deliver all six of them.

**CONNECT ACTIVITY: Managing for the Future of State Farm Bank**

**Activity Summary:** This Video Case features the company State Farm Bank, the banking arm of State Farm Insurance. They are not a traditional bank, and there are no brick-and-mortar locations; rather they operate on the Internet and through the extensive network of insurance agents. The Video Case poses multiple-choice questions to test students on their understanding of what makes an effective manager.
**Learning Objectives:** LO4, LO5
**Topic:** Competitive Advantage
**Difficulty:** 2 Medium
**Bloom's:** Apply; Understand; Analyze
**AACSB:** Analytical Thinking
**Follow-Up Activity:** Instructors might initiate a discussion on the various management skills students are able to identify throughout the video. The video addresses the issue of competitive advantage. Students can be placed into small groups to discuss the services at their banks compared to the services at State Farm Bank as outlined in the video.



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## KEY TERMS PRESENTED IN THIS CHAPTER

***Conceptual and decision skills*** Skills pertaining to the ability to identify and resolve problems for the benefit of the organization and its members

***Controlling*** The management function of monitoring performance and making needed changes

***Cost competitiveness*** Keeping costs low to achieve profits and be able to offer prices that are attractive to consumers

***Emotional intelligence*** The skills of understanding yourself, managing yourself, and dealing effectively with others

***Frontline managers*** Lower-level managers who supervise the operational activities of the organization

***Innovation*** The introduction of new goods and services

***Interpersonal and communication skills*** People skills; the ability to lead, motivate, and communicate effectively with others

***Knowledge management*** Practices aimed at discovering and harnessing an organization's intellectual resources

***Leading*** The management function that involves the manager's efforts to stimulate high performance by employees

***Management*** The process of working with people and resources to accomplish organizational goals

***Middle-level managers*** Managers located in the middle layers of the organizational hierarchy, reporting to top-level executives

***Organizing*** The management function of assembling and coordinating human, financial, physical, informational, and other resources needed to achieve goals

***Planning*** The management function of systematically making decisions about the goals and activities that an individual, a group, a work unit, or the overall organization will pursue

***Service*** The speed and dependability with which an organization delivers what customers want

***Social capital*** Goodwill stemming from your social relationships

***Speed*** Fast and timely execution, response, and delivery of results



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***Team leaders*** Employees who are responsible for facilitating successful team performance

***Technical skills*** The ability to perform a specialized task involving a particular method or process

***Top-level managers*** Senior executives responsible for the overall management and effectiveness of the organization



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## GREEN CASE

# REI's Stewardship Strategy

### DISCUSSION QUESTIONS AND SUGGESTED ANSWERS

1. **REI earned record revenues of nearly $3 billion in 2018. To what extent do you think REI's environmentally responsible strategies help support its financial success?**

   While student responses will vary, students are expected to agree that REI's social responsibility initiatives are attractive to customers in that market segment and therefore lead to greater sales volume. Some students may point out that revenue and profit are different and that we do not know if REI would be more profitable with a less socially conscience approach.

2. **In a recent message to the company, CEO Eric Artz declared the company's "fight for life outside" initiative as one of its core values. All 13,000 REI employees pledged to do so. What kind of effect do you think this kind of collective call to action can have on a workforce? Could other companies learn from REI's example? Are there any risks?**

   Student responses will vary, but they will most likely agree that Artz's "fight for life outside" is definitely a core value. The company has fully embraced the idea of environmental stewardship. With more than 70 percent of its profits going back to the outdoor community, REI lives up to its core principle of putting "purpose before profits." Besides hiring outdoor enthusiasts, the commitment of top level management would further inspire the workforce. Other companies with similar attitudes might realize the affect they too could have on the environment while still earning a profit. There are several risks involved, such as too high a price for merchandise that might affect sales negatively. Students may point out pitfalls of making too little profit.



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# DISCUSSION STARTERS

## DISCUSSION QUESTIONS

1. **Think about a current or former boss that you really liked, and one that you did not like much. What were the differences between their management styles? What did you like or not like about their styles?**

   Answers will vary but students may discuss authoritative approaches and more empowered approaches.

2. **While frontline managers have direct managerial control over their employees, team leaders do not have direct control over team members. What strategies can team leaders use to direct team members to achieve organizational objectives?**

   Answers will vary but students might discuss how team leaders can make sure the team has a shared vision of their goals, objectives, and expectations for members. Identify and describe a great manager. What makes him or her stand out from the crowd? Students—especially those with very limited work experience—may find this a difficult question to answer especially because the word "great" is highly subjective. However, it can be answered at three levels.

3. **Have you ever seen or worked for an ineffective manager? Describe the causes and the consequences of the ineffectiveness.**

   Students will have different levels of experience. However, most will have worked on a committee or as a member of a group and will thus have had some experience in an ineffective situation. Inefficiency results from a wide range of factors including lack of clarity and vision, failure to communicate effectively, poor organization, lack of leadership and motivation, lack of feedback, etc. In essence, it results from weaknesses in one of the four functional areas of management—planning, organizing, leading, and controlling.



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

   The use of the Internet has become a part of everyone's daily life. Increased information is now made available to benefit everyone that would use the Internet. The Internet allows users to attend classes online, obtain their college degree, buy a car, send flowers or a card, and buy groceries and medications without leaving the privacy of their home. One can benefit by utilizing the Internet globally because it is possible to buy goods and services from around the globe in today's market driven economy. Interaction among individuals can transcend around the globe via Internet technology. In the age of information systems an individual can access data that was previously not available in the last decade.

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

   Different organizations manage their resources across boundaries to build upon customer needs. Externally, approximately 20 percent of workers around the world today telecommute frequently, and approximately 10 percent work from home every day. These numbers are higher in the Middle East, Latin America, and Asia, with over 50 percent of workers in India and 30 percent in Mexico working from home. This trend allows employees to connect with customers and coworkers around the clock. In 2020 during the COVID-19 pandemic, employers in the U.S. learned that employees can be productive working at home, so this trend will most likely continue.

   Internally, for example, Toyota brings together design engineers and manufacturing employees from the beginning of a project in order to keep its product development process efficient. Customers, too, can also collaborate to improve products and services.



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

   Students may name organizations they have worked for or are familiar with by reputation. A great organization is one that gains competitive advantage by employing management practices that satisfy both internal and external stakeholders. Great organizations focus on cost competitiveness, quality, speed, and innovation. Cost competitiveness means pricing goods or services so that they are attractive to customers and ensuring that they add more value than the competitors. Quality refers to the excellence of the product or service and is more important than ever as customers' expectations for high quality and value increase. Speed can be a critical factor in separating a great company from a good company. An organization that can deliver its goods or services quickly can increase customer loyalty and beat competitors to market with new products. Most great organizations are leaders in innovation whether it is in the creation of new products and services or in continually improving internal processes that reduce costs, improve quality, or increase speed. Great organizations also focus on continuous improvement and beating themselves rather than their competitors. Truly great companies are always asking the question, "How can we improve ourselves?"

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

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

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



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The four pillars of competitive advantage are cost, quality, speed, and innovation; students should be able to identify firms that are strong and weak in each of the areas. It is important that students recognize firms often succeed by offering a combination of these pillars of competitive advantage. For example, a man can buy a suit off the rack at a local store at a very reasonable price. Its quality, however, may not be outstanding. By contrast, there are tailors in each of the major cities that offer top quality products but at a very high price, and it may take them weeks to complete a single suit. In Hong Kong, by contrast, you can have a suit made overnight. The quality can be quite good, and the price can be quite high. To a large degree, however, they are competing on the basis of speed.

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

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

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

At school, students have to be able to handle the technical aspects of each course—a break-even analysis in marketing, a cash flow problem in finance, a linear programming



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problem in operations research, etc. However, they do not go through the program in a vacuum. They also have to have the interpersonal and communicational skills that allow them to work with other members of a team or group. Being able to communicate effectively with the instructor is another key still that they have to master. Conceptual skills are vitally important to top management because they must make decisions that will impact the whole organization. Exactly the same skills are needed when working in a business or organization. Working at the local McDonald's requires that students be able to technically handle the day-to-day tasks. Furthermore, they have to be able to interact and communicate with not only their peers and the manager but also the customers. The reputation of the franchise is, in large part, dependent on the image they (and others) project to customers.

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

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

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

The instructor can help the student through this exercise by giving a personal example: showing how he or she has used each of the eight pieces of advice to better position his or her career and other interests. The recommended method of improving managerial skills is through education and personal experiences. Recognizing the skills needed to be an effective manager is important in seeking retraining. Additionally, developing technical or problem-solving skills through product knowledge and the ability to listen, observe, and diagnose problem/opportunities is crucial. Building conceptual and decision skills pertains to the ability to identify and resolve problems for the benefit of the organization



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and its members. Interpersonal and communication skills are people skills; the ability to lead, motivate, and communicate effectively with others.

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

Many of the organizations listed in the chapter will have suffered setbacks or improved their status by the time the students read the text. Setbacks are typically caused by changes in market conditions, mismanagement, or unwise use of resources (for example, overexpansion). In 2020, the COVID-19 pandemic greatly affected the economy in negative ways, especially in the restaurant and retail sectors. Improvements can be tied to the four drivers of competitive advantage—innovation, speed, quality, and cost, as well as customer service and effective management.

**14. Who are *Business Week*'s most recent "Best and Worst Managers" and why were they selected?**

Students' answers will vary according to year.

**15. Look at the text's section 2.1 Top Managers Strategize and Lead. By a show of hands, how many of you would say that you relate positively to your current (or previous) boss? Why or why not? What could your boss do to improve the way he or she relates to you?**

Students will likely mention suggested improvements in managers' communication styles, whether it be increased interaction with one's supervisor, more two-way communication, and more regular feedback or praise for employee performance.



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16. **While frontline managers have direct managerial control over their employees, team leaders do not have direct control over team members. What strategies can team leaders use to direct team members to achieve organizational objectives?**

    Students' answers may vary but will likely focus on specific suggestions team leaders related to accountability, improving team cohesiveness, and ensuring team members share the same perceptions of the team's goals and objectives.

[PPT: 1-28]

**GROUP CHALLENGE**

**"Moms and Dads as Managers"**

Divide the class into groups of three to five students and ask them to brainstorm about the following questions:

1. **How does a parent perform the function of planning?**

   Examples will likely include activities related to preparing children for various stages of education, from kindergarten through college. For example, making decisions about school placement and ongoing educational activities to ensure success.

2. **How does a parent perform the function of organizing?**

   Examples here might include parents' employment, budgeting, mortgage or rental payments, hiring of babysitters or tutors, etc.

3. **How does a parent perform the function of leading?**

   Answers may vary more here based on parenting styles but will highlight activities related to directing, motivating, and communicating with family members.



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4. **How does a parent perform the function of controlling?**

   Students might mention disciplinary aspects of parenting or various safeguards and probationary periods encountered throughout childhood.

## ACTIVITIES

The Holland Code test is based on the idea that peoples' personalities are reflected in their occupational choice. The self-assessment consists of 48 example tasks that students have to rate by how much they would enjoy performing each. Upon completion, students receive their RIASEC marker, a three-letter code representing the top three domains of endeavor that appeal to them. Holland Codes are frequently used in career counseling. This free self-assessment is available at: https://openpsychometrics.org/tests/RIASEC. Upon completion of the self-assessment, students should submit a brief report evaluating their results and address the following questions:

1. **What were your top three domains of endeavor? Explain each one briefly.**
2. **Do you agree or disagree with the results of this self-assessment? Why?**
3. **Do you think a self-assessment like this would be helpful to you in choosing a career? Why or why not?**

Students generally find this exercise to be consistent with their views of their own career interests and find that the assessment is helpful in allowing them to consider additional career options that they may have overlooked. However, students will also note that changing majors or career trajectories at this point in their educational process can also pose many challenges.



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# LECTURETTES

## LECTURETTE 1.1: An Analysis of United States versus Japanese Management

Research conducted in comparing American style management versus the Japanese style of management shows that they are clearly separate from one another.

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

### NATIONAL CULTURE

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

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



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## THE WORKFORCE

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

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

Competition among employees is a long-standing American tradition and is seen as one way to keep workers sharp and hard working. Little concern is expressed for the fact that this emphasis on competition can undermine worker cooperation and employee morale. The Japanese see such competition as a negative work factor, and research has shown that Japanese worker performance deteriorates under competitive environments.

## MANAGEMENT STYLE

The American management style tends to impose control through explicit and formal rules and regulations that are documented in corporate standard operating manuals. Japanese management control is more subtle, implicit, and informal. Japanese control stems from a set of corporate values that are expressed by management until a corporate culture becomes clearly understood by all employees so that it directs their every behavior. In most American companies, management fosters an “inspect to quality” philosophy that focuses on evaluation of a task after it is complete. Japanese management nurtures a “work to quality” culture that creates quality in the work process as it is being done.



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

The CEO in a Japanese firm is a true representative of that organization and its values. Japanese CEOs receive only a fraction of the compensation given to American CEOs, although the Japanese traditionally work longer hours. Stock options, a popular form of extra compensation for American executives, are not available to Japanese executives. When a firm does poorly, the CEO typically resigns in disgrace. CEOs in failing American firms give themselves huge salary increases. Most Japanese managers at all levels of the firm work 12-hour days, six days a week. American executives believe in their own individualism and do not see themselves as required to carry the image of the firm as a personal obligation.

**SUPERIOR–SUBORDINATE RELATIONSHIPS**

There is a clear superior–subordinate relationship in American companies, and this relationship is often shallow and short-term. The Japanese have a very different philosophy reflected in the saying that "It's the superior's job to help the subordinate learn the job." In Japan, there is a mentor-protégé relationship that is almost Godfather-like: a relationship that is both functional and emotional. The Japanese superior assumes the corporate lifetime commitment and accepts the responsibility in a holistic manner (i.e., a responsibility for all aspects of the subordinate's life for a lifetime). Such an approach would not be possible in the United States since workers would strongly resent any efforts on the part of a superior to meddle in their private lives.

The admittance of women into the managerial ranks of American companies is well accepted. However, in Japan, management is not viewed as a legitimate position for women. In fact, working beyond the marrying age is not an acceptable activity for women. Japanese management has yet to accept the rights of the working woman.



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## DECISION MAKING

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

Americans admire decisions that are fast and specific. The Japanese dislike decisions in general and will delay them as long as possible. They accept ambiguity as a way of life and work with it until a decision becomes absolutely necessary. They prefer to agree to proceed in a general direction, gathering more information as they go, changing that general direction as necessary, and making a decision at the last moment. As a result, Japanese decisions tend to be based on a maximum of information and tend to be of high quality.[1]

## LECTURETTE 1.2: An Examination of Managerial Roles

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

## THE TASKS OF A PRACTICING MANAGER

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

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



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1. The managerial workday is long. Managers work long hours. The higher one goes up the managerial hierarchy, the longer the working hours.

2. Managers are busy and work at a hectic, unrelenting pace. They begin to work the very moment they walk into the workplace and continue working, without relief, until they leave many hours later. Managers cannot afford the luxury of leisurely coffee breaks—they drink their coffee during endless meetings. They do not enjoy a relaxed lunch—lunch is skipped unless it is used to entertain a client or to orchestrate a group decision. In either case, the meal is secondary to the work that is accomplished during the meal.

3. The manager's day is fragmented. A manager has so many work demands that there is little time to spend on any one activity. Therefore, the workday is fragmented with hundreds of brief episodes, few of which are brought to closure. Interruptions and discontinuity are commonplace. American executives tend to spend less than nine minutes on any one issue or activity. This pressure often extends throughout an organization. For example, a study found that U.S. foremen engage in an average of 583 separate activities over an eight-hour work shift—an average of one every 48 seconds.

4. The manager's work is varied. Managers are involved in a wide variety of activities. They must deal with telephone calls, meetings (both scheduled and unscheduled), tours, visits, appearances, speech-making, negotiations, grievance hearings, performance reviews, scheduling, controlling, and interacting with all kinds of people, and dealing with all kinds of paperwork. All these activities deal with all the functional areas within the firm.

5. Managers stay close to home. Managers can be called "homebodies" because they spend the great bulk of their time engaged in activities within their own organization. However, as managers progress upward in the company hierarchy,



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increasingly more time is spent outside their own work area and outside the firm itself.

6. Verbal activities dominate the manager's time. In two British studies, managers were found to spend 66 and 80 percent of their time in verbal communications. Another study found that U.S. CEOs spend 78 percent of their time in verbal communication activities. In fact, most managers prefer verbal communications to paperwork.

7. Managers use many contacts and tend to network. Because of their high-level involvement in verbal communication, managers tend to have contacts with many people. The incessant parade of telephone calls, interpersonal sessions, and meetings result in an almost continuous exchange of information with a growing number of people. This need to exchange voluminous information has led many managers to develop a set of cooperative relationships with certain people whose assistance is often needed.

8. A manager tends to develop an individual "art of management." Management is rapidly developing the qualities that may someday qualify it as a science. However, in the meantime, managers must develop personal procedures, techniques, and styles that can help them plan, schedule, organize, control, and otherwise deal with the many fragmented tasks with which managers must cope every workday. Managers are forced to use intuition and judgment as the core of most decisions. As such, management becomes an art as developed and conducted by the individual manager.

9. Managers are proactive planners. Typically, managers find too little time for adequate planning. This is a proverbial "catch-22" situation as many of the fragmented activities that disrupt the manager's day result from an inherent lack of planning. Consequently, the manager becomes a reflective planner, constantly reacting to the work environment.



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10. Information is the core of management. Because managers spend most of their workday collecting, assimilating, analyzing, and disseminating information, information is at the heart of the managerial process. Information management may then become the major key to managerial success.

11. Managers do not practice time management. Managers are seldom aware of the way they spend their time. They typically overestimate the amount of time they spend on reading, writing, production work, and just thinking. They tend to underestimate the time they spend in informal interactions and meetings—especially unscheduled meetings. Thus, it is clear that most managers are not experts at managing their time.

12. Managers lose their rights. As a manager, you may lose your right to:
    - Lose your temper.
    - Be one of the gang.
    - Bring your personal problems to work.
    - Vent your frustrations and express all your opinions at work.
    - Resist change.
    - Pass the buck.
    - Get even.
    - Play favorites.
    - Put your own interests first.
    - Ask others to do what you wouldn't do.
    - Expect to be immediately recognized and rewarded for doing a good job.

## THE ROLES A MANAGER MUST PERFORM

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

1. Interpersonal roles



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

2. Informational roles
   - Monitor – Seeks appropriate information from both internal and external sources.
   - Disseminator – Transmits information within the organization.
   - Spokesperson – Addresses the transmission of information to outsiders.
3. Decisional roles
   - Entrepreneur – Initiates and encourages change, creativity, and innovation.
   - Disturbance Handler – Initiates the corrective action needed to deal with important, unexpected difficulties.
   - Resource Allocator – Distributes organizational resources (funds, equipment, time, human resources, etc.).
   - Negotiator – Serves as the organization's chief negotiator in the manager's areas of responsibility.[2]

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



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