Effective Management 7th edition Chuck Williams Solutions Manual

SKU: 9781285866246-SOLUTIONS

Pedagogy Map

This chapter begins with the learning outcome summaries and terms covered in the chapter, followed by a set of lesson plans for you to use to deliver the content in Chapter 1.

- Lesson Plan for Lecture (for large sections)
- Lesson Plan for Group Work (for smaller sections)
- Assignments with Teaching Tips and Solutions
  - √ What Would You Do Case Assignment – Netflix
  - √ Management Team Decision – Saying No to an Investor
  - √ Practice Being a Manager – Finding a Management Job
  - √ Self-Assessment – Is Management for You?
  - √ Management Workplace – Camp Bow Wow
- Additional Assignments and Activities
  - √ Review Questions
  - √ Develop Your Career Potential – Interview Two Managers
  - √ Additional Activities

Highlighted Assignments	Key Points
What Would You Do?	After a period of phenomenal growth, Netflix faces several challenges as it looks to develop new ways to deliver movies.
Management Team Decision	Students must consider whether a beverage company should change its labelling at the request of its biggest investor.
Practice Being a Manager (Experiential Exercise)	Students explore the hiring process by role-playing interviews for management positions they research in the newspaper and online.
Self-Assessment	Students get a first glimpse to determine if their skills overlap those required of managers.
Management Workplace	Candace Stathis, a general manager at Camp Bow Wow, faces several challenges to keep the camp running as efficiently as possible.
Additional Assignments	**Key Points**
Develop Your Career Potential	Students interview two managers and compare the managers' responses to the information in the chapter.

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Learning Outcomes

1-1 Describe what management is.

Good management is working through others to accomplish tasks that help fulfill organizational objectives as efficiently as possible.

1-2 Explain the four functions of management.

Henri Fayol's classic management functions are known today as planning, organizing, leading, and controlling. Planning is determining organizational goals and a means for achieving them. Organizing is deciding where decisions will be made, who will do what jobs and tasks, and who will work for whom. Leading is inspiring and motivating workers to work hard to achieve organizational goals. Controlling is monitoring progress toward goal achievement and taking corrective action when needed. Studies show that performing these management functions well leads to better managerial performance.

1-3 Describe different kinds of managers.

There are four different kinds of managers. Top managers are responsible for creating a context for change, developing attitudes of commitment and ownership, creating a positive organizational culture through words and actions, and monitoring their company's business environments. Middle managers are responsible for planning and allocating resources, coordinating and linking groups and departments, monitoring and managing the performance of subunits and managers, and implementing the changes or strategies generated by top managers. First-line managers are responsible for managing the performance of nonmanagerial employees, teaching entry-level employees how to do their jobs, and making detailed schedules and operating plans based on middle management's intermediate-range plans. Team leaders are responsible for facilitating team performance, managing external relationships, and facilitating internal team relationships.

1-4 Explain the major roles and subroles that managers perform in their jobs.

Managers perform interpersonal, informational, and decisional roles in their jobs. In fulfilling the interpersonal role, managers act as figureheads by performing ceremonial duties, as leaders by motivating and encouraging workers, and as liaisons by dealing with people outside their units. When managers perform the informational role, they act as monitors by scanning their environment for information, as disseminators by sharing information with others in the company, and as spokespersons by sharing information with people outside their departments or companies. In fulfilling decisional roles, managers act as entrepreneurs by adapting their units to incremental change, as disturbance handlers by responding to larger problems that demand immediate action, as resource allocators by deciding resource recipients and amounts, and as negotiators by bargaining with others about schedules, projects, goals, outcomes, and resources.

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1-5 Explain what companies look for in managers.

Companies do not want one-dimensional managers. They want managers with a balance of skills. They want managers who know their stuff (technical skills), are equally comfortable working with blue-collar and white-collar employees (human skills), are able to assess the complexities of today's competitive marketplace and position their companies for success (conceptual skills), and want to assume positions of leadership and power (motivation to manage). Technical skills are most important for lower-level managers; human skills are equally important at all levels of management; and conceptual skills and motivation to manage increase in importance as managers rise through the managerial ranks.

1-6 Discuss the top mistakes that managers make in their jobs.

Another way to understand what it takes to be a manager is to look at the top mistakes managers make. Five of the most important mistakes made by managers are being abrasive and intimidating; being cold, aloof, or arrogant; betraying trust; being overly ambitious; and failing to build a team and then delegate to that team.

1-7 Describe the transition that employees go through when they are promoted to management.

Managers often begin their jobs by using more formal authority and fewer people management skills. However, most find that being a manager has little to do with bossing their subordinates. After six months on the job, the managers were surprised at the fast pace and heavy workload and that "helping" their subordinates was viewed as interference. After a year on the job, most of the managers had come to think of themselves not as doers but as managers who get things done through others. And because they finally realized that people management was the most important part of their job, most of them had abandoned their authoritarian approach for one based on communication, listening, and positive reinforcement.

1-8 Explain how and why companies can create competitive advantage through people.

Why does management matter? Well-managed companies are competitive because their work forces are smarter, better trained, more motivated, and more committed. Furthermore, companies that practice good management consistently have greater sales revenues, profits, and stock market performance than companies that don't. Finally, good management matters because good management leads to satisfied employees who, in turn, provide better service to customers. Because employees tend to treat customers the same way their managers treat them, good management can improve customer satisfaction.

Key Terms

conceptual skills
controlling
disseminator role
disturbance handler role
effectiveness
efficiency
entrepreneur role
figurehead role
first-line managers
human skills
leader role
leading
liaison role
management
meta-analysis
middle managers
monitor role
motivation to manage
negotiator role
organizing
planning
resource allocator role
spokesperson role
team leaders
technical skills
top managers

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Lesson Plan for Lecture

Pre-Class Prep for You:

- Prepare syllabus.
- Bring PPT slides.

Pre-Class Prep for Your Students:

- Buy book, read Chapter 1.

Warm Up Introduce self.
Hand out syllabus and go over details.
Begin Chapter 1 by asking students, "What is management?" (If a blackboard is available, begin to write their ideas on it so that a cumulative definition can be derived.)

Content Delivery Lecture slides: Make note of where you stop so you can pick up at the next class meeting. Slides have teaching notes on them to help you as you lecture.

Topics	PowerPoint Slides	Activities
1-1 Management Is…	1: Management 2: What Would You Do? 3: Management is… 4: Efficiency 5: Effectiveness	Ask students who have been or are currently managers to tell the class what managers do. Write their comments on the board (organize by management function).
1-2 Management Functions	6: Four Management Functions	
1-2a Planning 1-2b Organizing 1-2c Leading 1-2d Controlling	7: Planning 8: Organizing 9: Leading 10: Controlling 11: What Really Works 12: The Control Process	Use the above discussion to lead into the four management functions.
1-3 Kinds of Managers 1-3a Top Managers 1-3b Middle Managers 1-3c First-Line Managers 1-3d Team Leaders	13: Kinds of Managers 14: Jobs and Responsibilities of Four Kinds of Managers 15: Top Managers 16: Middle Managers 17: First-Line Managers 18: Team Leaders	Ask the class to give specific examples of each of these types (using titles).
1-4 Managerial Roles 1-4a Interpersonal Roles 1-4b Informational Roles 1-4c Decisional Roles	19: Mintzberg's Managerial Roles and Subroles 20: Interpersonal Roles 21: Informational Roles 22: Decisional Roles	
1-5 What Companies Look for in Managers	23: What Companies Look For 24: Relative Importance of Managerial Skills	Ask the class or lecture about the qualities that good managers have.
1-6 Mistakes Managers Make	25: Top 10 Mistakes that Managers Make	Discuss common mistakes that managers make.

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1-7 The Transition to Management: The First Year	26: The First Year Management Transition	Discuss your own experience during your first year as a manager or have students do this.
1-8 Competitive Advantage through People	27: Competitive Advantage through People	Ask the class how a company could benefit from good management. Discuss the competitive advantage companies can gain through their people. Give examples.
Management Workplace	28: Camp Bow Wow	Launch video in slide 28. Questions on slide can guide discussion.

Adjust lecture to include the activities in the right column. Some activities should be done before introducing the concept, some after.

Special Items

Spark a quick discussion by asking students to respond to the following statement:

"The only way to learn how to manage is to manage."

Make sure students back up their answers.

Conclusion and Preview

Assignments:

1. Tell students to be ready at the next class meeting to discuss or answer questions on the Management Decision "Saying No to an Investor"
2. If you have finished covering Chapter 1, assign students to read Chapter 1 and the next chapter on your syllabus.

Remind students about any upcoming events.

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Lesson Plan for Group Work

Pre-Class Prep for You:

- Prepare syllabus.
- Set the classroom up so that small groups of four to five students can sit together.

Pre-Class Prep for Your Students:

- Buy book.

Warm Up Introduce self.
Hand out syllabus and go over details.
Begin Chapter 1 by asking students, "What is management?" (If a whiteboard is available, begin to write their ideas on it so that a cumulative definition can be derived.)

Content Delivery Lecture on What is Management (Sections 1-1 and 1-2).
Break for the following group activity:

> **"Management Functions"**
> Divide the class into small groups.
> Have each group describe how they would use the four functions of management to plan a big party on campus: 1) making things happen; 2) meeting the competition; 3) organizing people, projects, and processes; and 4) leading.
> Have groups share their work with the whole class.

Before lecturing on the next section, do the following activity:

> **"Management Levels."**
> Put the class back into small groups.
> Give each group a sample organizational chart of a real or fictional company. (Chapter 8 has numerous examples of org charts.) Try to use a company in an industry familiar to your students.
> Have each group identify which levels are considered top management, which are considered middle management, and which are considered first-line management.
> Have groups share their work with the class.

Lecture on What Do Managers Do? (Sections 1-3 and 1-4).

Ask students, "What does it take to be a manager?"
Write responses on board or overhead.

Lecture on What Does It Take to Be a Manager (Sections 1-5, 1-6, and 1-7).
Review the list on the board in light of the chapter content.

Ask students, "Does management matter?" If they say no, suggest that they might consider that management does matter.

Lecture on Why Management Matters (Section 1-8).
Depending on the amount of time left, give students chance to "pull it all together" with the following activity:

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Special Items

Spark a quick discussion by asking students to respond to the following statement:

"The only way to learn how to manage is to manage."

Make sure students back up their answers.

Conclusion and Preview

Assignments:

1. Have students research job listings for managers to determine what companies look for in managers. Suggest they consult online sources like monster.com and careerjournal.com (or the *Wall Street Journal*), as well as print publications like *Fortune* and *Inc.* magazines. Have them make a list of descriptors that seem to indicate companies are looking for certain qualities in applicants for management positions.
2. If you have finished covering Chapter 1, assign students to read Chapter 1 and the next chapter on your syllabus.

Remind students about any upcoming events.

Assignments with Teaching Tips and Solutions

What Would You Do Case Assignment

What Really Happened? Solution

NETFLIX

In the case, you learned that just a decade and a half after start-up, Netflix had pushed Wal-Mart, Amazon, and Blockbuster Video, who once dominated the industry, out of the DVD rental business. Netflix's expertise in shipping and distributing DVDs, however, provides no competitive advantage when streaming files over the internet. And, with competition from Amazon's Video on Demand, Apple's iTunes, Hulu Plus, and others, there's no guarantee that Netflix's success will continue. Let's find out what really happened by seeing what steps Netflix and its founder, Reed Hastings, took to be competitive under different circumstances and to successfully manage the company's growth.

Planning involves determining organizational goals and a means for achieving them. So, how can Netflix generate the cash it needs to pay the studios? How can it convince them it's not a competitor so they will agree to license their content?

Planning, which is one of the functions of management, involves determining organizational goals and a means for achieving them. As students will learn in Chapter 4, planning is one of the best ways to improve performance. It encourages people to work harder, to work hard for extended periods, to engage in behaviors directly related to goal accomplishment, and to think of better ways to do their jobs. But most importantly, companies that plan have larger profits and faster growth than companies that don't plan. Likewise, the question "What business are we in?" is at the heart of strategic planning which students will learn about in Chapter 5. If you can answer the question "What business are you in?" in two sentences or less, chances are you have a very clear plan for your business. But getting a clear plan is not so easy. Sometimes even very successful companies, like Netflix, have difficulty answering this question.

Netflix had been spending about $240 million a year to buy the DVDs that it rented to its subscribers. But, unlike DVDs which can be bought and then rented without studio approval, U.S. copyright laws require streaming rights to be purchased from TV and movie studios before downloading content into

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people's homes. That means that Netflix not only has to come up with more money to stream video content, it also means they have to come up with more money than their competitors, such as Apple, Amazon, Hulu, Time-Warner Cable, and DirecTV. So, where can Netflix come up with the extra money without cutting into its profits? Well, consider that it costs roughly $1 to ship and return a DVD to a customer. The first time that Netflix tried streaming video in 2000, it took 16 hours and cost $10 to download videos to customers. However, said CEO Reed Hastings, "We started investing 1 percent to 2 percent of revenue every year in downloading, and I think it's tremendously exciting because it will fundamentally lower our mailing costs." Because of that investment and advances in technology, today it only costs Netflix 5 cents to stream the video content of a full-length film. And since Netflix spends $600 million a year mailing DVDs back and forth from its distribution centers to its customers, it can take the money it puts toward mailing costs and put nearly all of it—remember it only costs a nickel to stream a movie—toward buying streaming rights from the studios. And, the more movies that customers stream, the more money that Netflix will have on hand. And with double the revenues, profits, and subscriber base since starting video streaming in 2007, cash certainly won't be an issue as it works with the studios to obtain streaming rights.

The key question, however, is whether Netflix can convince the studios that it's not a competitor. And, that may depend on the strategy Netflix uses and the kind of business it wants to be. Netflix's strategy hasn't changed. It's still all about growth. According to CEO Reed Hastings, "Our focus is on getting to five million, 10 million, 20 million subscribers and becoming a company like HBO that transforms the entertainment industry." Before streaming, Netflix was a DVD rental and distribution company. But, that's no longer the case. Ted Sarandos, Netflix's chief content officer, says that its "destiny" is to become a streaming company, but, for now, "You could say we are in DVD maintenance mode at this time."

How is Netflix enticing the studios to give it streaming rights? Well, besides huge payouts, nearly every deal includes delayed access to movie content. Typically, Netflix can't stream video content until it's been available for consumer purchase for at least 28 days, and sometimes as long as 3 months. That way, the studios can still harvest consumer DVD sales, which are the most profitable part of movie sales, and then pickup additional revenue through Netflix. How persuasive has Netflix been? Well, Warner Brothers movie studio, which is owned by Time-Warner Cable, wanted to force Netflix to take the same deal that it gives to cable- and satellite-TV providers, namely, charge consumers $4 for each movie download, and then give 65 to 70 percent of that $4 to the studio. But, since 75 percent of DVD sales come in the first month that the movie's DVD is released, Warner Brothers was willing to agree to Netflix's 28 day delay for new releases. Furthermore, it agreed to give Netflix the streaming rights to most of the DVD and Blu-ray movies in its catalog. Netflix's Ted Sarandos said, "We're able to help an important business partner [i.e., Warner Brothers] meet its objectives while improving service levels for our members by acquiring substantially more units than in the past after a relatively short sell-through window. At the same time, we're able to extend the range of choices available to be streamed to our members." Netflix has signed similar deals with all of the major film studios, with all of the major TV studios (NBC, CBS, Fox, ABC), and with many of the major cable television studios (Showtime, Starz, and HBO).

In the end, says chief content officer Ted Sarandos, "We see ourselves as complementary [to the studios]. If someone loves [the cable TV show] *Weeds* on Showtime, they'll watch it on Showtime and go find the older episodes from us."

With blazing growth on one hand and the strategic challenge of obtaining studio content on the other, how much time should Reed Hastings and his executive team devote directly to hiring? Deciding where decisions will be made is a key part of the management function of organizing. So, should he and his executive team be directly involved, or is this something that he should delegate?

Management, at its essence, is getting work done through others. When you're promoted from employee to manager, you stop being a doer and start helping doers succeed at their jobs. Indeed, as we learned in the chapter, most "derailed" managers are unable to make the most basic transition to managerial work: to quit being hands-on doers and get work done through others. Two things go wrong when managers make

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these mistakes. First, when managers meddle in decisions that their subordinates should be making—when they can't stop being doers—they alienate the people who work for them. Second, because they are trying to do their subordinates' jobs in addition to their own, managers who fail to delegate will not have enough time to do much of anything well.

With this knowledge, it's no triviality to ask whether CEO Reed Hastings and his top executive team should be directly involved in hiring, or whether he should delegate this task to others.

Because of its blazing growth, hiring top talent is a top priority at Netflix. But, it doesn't hire the same people that other leading edge Silicon Valley companies do. Patricia McCord, Netflix's chief talent officer, says, "Google, for example, wants to reorganize the world's information. You do that by hiring as many smart, young people as fast as you can, put them in a petri dish, feed and water them, make it a place like home where they can live and collaborate all hours of the day." By contrast, Netflix hires people with 7 to 15 years of experience. Says McCord, "They're accomplished deliverers. You need to know your craft so you can make a contribution when you walk in. You need to be mature, with enough experience to be able to make independent decisions."

So, should Netflix's top executives spend significant direct time hiring employees or should they delegate that responsibility. From the perspective of managers not being "doers," it seems that except for the people who report directly to top managers, hiring should be done by managers at lower levels in the company. And, for a more mature company that's been in business for much longer, that makes perfect sense.

Netflix, however, despite being the industry leader, is only a decade and a half old, so its culture, that is, the beliefs and attitudes held by those in the company, is still malleable and changeable. Moreover, rapid growth is one of the best ways to destroy a culture. With so many new people coming into the company at the same time, it's becomes even more difficult to pass on the informal rules and norms that guide every day behavior. Likewise, top managers are responsible for developing attitudes of commitment and ownership and for creating a positive organizational culture through words and actions.

For those critical reasons, Netflix's top executives devote 2–3 hours a day to making sure that they hire the right people who fit into its "mature adults" culture (see more below). Allison Hopkins, vice president for human resources, said, "Most people at our levels don't do it, but for us it's a priority; we have absolute veto. For example, a guy I interviewed recently expressed surprise at our open approach to vacation time. He said, 'I'm a workaholic and never take time off; I need someone to make sure I take my time or I won't use it.' I told him, 'We hire adults, and if you don't know how to manage your vacation, you won't fit in.'"

Finally, located near Silicon Valley which is home to some of the most attractive employers in the world, what can Netflix provide in the way of pay, perks, and company culture that will attract, inspire, and motivate top talent to achieve organizational goals?

Leading, which is the third management function, involves inspiring and motivating workers to work hard to achieve organizational goals. But since Netflix is in a phase of rapid growth, and because Netflix's top executives devote 2–3 hours a day to hiring, leading at Netflix also includes attracting and hiring top talent. The challenge for Netflix is figuring out how to do that with some of the most attractive employers in the world in its back yard. Their solution has three parts, aggressive market-based pay, development of a "mature adults" culture, and an incredible amount of freedom combined with strict accountability.

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In terms of pay, unlike the rest of Silicon Valley, Netflix does not pay bonuses, but its salaries, which are adjusted each year, are pegged to the top of the market. Each year, Netflix's human resource department adjusts salaries by asking three questions:

1) What could this person get elsewhere?
2) What would we pay for a replacement?
3) What would we pay to keep this person if they had a more lucrative offer elsewhere?

Then, once the salary is determined, the person can take it in salary, or in salary plus stock options.

While its aggressive salaries help attract top talent, Netflix believes that its "mature adults" culture helps keep them at the company. There's no dress code, no security badges or checkpoints, no required hours, and no tracking of vacation time, save for anything beyond 30 days which requires approval. Patricia McCord, Netflix's chief talent officer, says: "We focus on what people get done, not how many hours or days they worked. Have I ever fired a $100,000 employee for being tardy or late? Creative people come up with ideas outside of work." Allison Hopkins, vice president for human resources, said, "[company] policies are written for the lowest common denominator. Here, we don't have to do that. You don't have to write things down. When someone does something wrong, we tell them it was wrong. After that, either they get it or they're out."

Finally, Netflix gives its employees a tremendous amount of freedom. For example, the travel and entertainment spending policy has five words, "Act in Netflix's best interests." No lengthy rules. No spelling out what the company will and won't pay for. Just, "Act in Netflix's best interests." CEO Reed Hastings says, that the "creative employee we compete for thrives on freedom. We're more focused on the absence of procedure—managing through talented people rather than a rule book."

But, the aggressive pay, the "mature adult" culture, and the freedom come with strict accountability. CEO Hastings summarizes the company attitude this way, "We are a performance culture based on intellectual prowess. We try to be fair, but [the length of an employee's Netflix career] is not our primary concern. If someone is not extraordinary, we let them go." It sounds harsh, but Allison Hopkins, vice president for human resources, believes that, "Keeping the house clean is essential to who we are. Too often, really good workers are frustrated at having to work with others who they perceive as average or worse performers. When we ask people why they chose us, they tell us it's not for the money. It's the other stuff. [It's] 'the places we worked didn't fire people they should have fired.'"

Patricia McCord, Netflix's chief talent officer, says Netflix managers use the "keeper test" when conducting annual performance reviews. Managers, she says, are expected to ask themselves, "Which of my people, if they told me they were leaving in two months for a similar job at a peer company, would I fight hard to keep at Netflix?" If you're not a keeper, and typically three to five percent are not, you're asked to leave. But says McCord, "We want them to keep their dignity. In many companies, once I want you to leave, my job is to prove you're incompetent. I have to give you all the documentation and fire you for poor performance. It can take months. Here, I write a check. We exchange severance for a release. To make Netflix a great company, people have to be able to leverage it when they leave," by subsequently getting good jobs." She says, "Usually, people find new jobs quickly." No one has sued.

How well is this approach working? Well, in the latest report as of this writing Netflix said its quarterly earnings more than doubled as it added 1.7 million subscribers, bringing subscribers to 48 million globally. Net income rose to $71 million, or $1.15 a share, from $29 million, or 49 cents a share, a year earlier.

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Management Team Decision

Purpose

Making decisions is part of every manager's job. To give you practice at managerial decision making, each chapter contains a Management Team Decision assignment focused on a particular decision. You'll need to decide what to do in the given situation and then answer several questions to explain your choices.

SAYI NG NO TO AN I NVESTOR

From sports to school to work to civic involvement, working in teams is increasingly part of our experience. But although working in teams is more and more common, making decisions as teams is not necessarily any easier. You will learn more about managing teams in Chapter 9, but to give you more experience with teamwork, a Management Team Decision exercise designed for a group of three to five students is included in each chapter. As a group, you must come to a mutually agreeable decision on the scenario presented. Each Management Team Decision will focus on a management topic presented in the chapter. For Chapter 1, you'll work with the management function of planning and organizing as you decide how to interact with a large investor.

You never thought much about soft drinks before, but since your kids started going to junior high school and ordering their own lunches, you've become more and more concerned about how much sugary, calorie-loaded drinks they consume every day. You wanted to find a way to help kids and parents find delicious alternatives to unhealthy carbonated drinks. So it seemed quite fortunate when you got a management position at Honest Tea, a beverage company that is dedicated to providing wholesome, healthy teas and juices that use all natural, organic, unprocessed ingredients. The company proudly displays its commitment to natural, wholesome ingredients by including a label on all of its products that says "No High-Fructose Corn Syrup," a sweetener that has been heavily criticized for increasing obesity, diabetes symptoms, liver disease, as well as containing trace amounts of mercury.

Although the label is a small, but very public, part of the company's overall strategy of highlighting the company's commitment to quality ingredients, it's caused a serious conflict with a huge investor. A few years ago, Coca-Cola bought a 40 percent stake in Honest Tea for $43 million. The cash infusion was great for the company, but what was even better was Honest gained access, nearly overnight, to a nationwide distribution network.

But the investment from Coca-Cola had its downside, as well. Coca-Cola executives were quite disturbed by the "No High-Fructose Corn Syrup" label, which they saw as an implicit criticism of Coca-Cola's own products, most of which use high-fructose corn syrup. So senior managers from Coca-Cola approached Honest Tea with a request: change the label so that it says "sweetened with organic cane sugar" or "no fake stuff," or better yet, just get rid of the label altogether.

You and the other managers at Honest Tea want to maintain a good relationship with Coca-Cola, but you're worried that any changes to the label will violate the company's philosophical commitments. Many are worried that changing or removing the label will be misleading because it wouldn't be crystal clear to consumers that the ingredients are not highly processed. At the same time, you and the other managers don't want to anger Coca-Cola, which not only owns 40 percent of your company but also has an option to purchase all of it in the future.

You and other senior managers have been assigned to a team that will engage in negotiations with Coca-Cola. How will you respond to your biggest investor? Will you give in to Coca-Cola's wishes, and if so, how? Or, will you decide just to stick to your guns and do nothing? For this exercise, assemble a team of five students to act as the management team.

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Questions

1. How is this decision emblematic of a manger's role as a liaison?
2. How would your team choose to respond to Coca-Cola's request?
3. If you respond positively to Coca-Cola's request for changes to the label, how would you explain the change to consumers? If you respond negatively to the request, how would you explain your decision to Coca-Cola? What would you to make sure your relationship does not turn hostile?

Source:
Elizabeth Olson, "Can Honest Tea Say No To Coke, Its Biggest Investor?" *The New York Times*, July 7, 2010, accessed August 15, 2010, from www.nytimes.com/2010/07/08/business/smallbusiness/08sbiz.html?dbk.

Practice Being a Manager

FINDING A MANAGEMENT JOB

Management is a wide-ranging and exciting area of work. One way to gain a sense of the possibilities is to study the advertisements for management job openings. Companies advertise their management openings in a variety of ways, including print advertisements in such newspapers as *The Wall Street Journal* (especially its Friday career section) and online ads at job sites like Monster.com and CareerBuilder.com.

Step 1: Find a job you'd like to have. Search through the newspaper and online ads and locate several detailed job descriptions for management positions. Select the one that you find most appealing—a job that you could picture yourself interviewing for either in the near future or later in your career. Do not be too concerned about your current qualifications in making your selection, but you should see realistic prospects of meeting the qualifications over time (if a job requires an MBA, for example, you should see yourself completing this degree sometime in the future). Print your selected detailed job description and bring it to your next class session.

Step 2: Share your job description. In class, your professor will assign you to a pair or group of three. Write your name on your selected management job description, and exchange your job description with your partner(s). Each member of the pair or triad should now have a job description other than his or her own.

Step 3: Think like a hiring manager. Read the job description you received from your partner. Imagine that you are the manager responsible for hiring someone to fill this position. A human resources specialist in your company has already screened the applicants' résumé and background. Thus, you may assume that your partner has met all the basic qualifications for the job. Your job as a senior manager is to ask questions that might get beyond the résumé to the person—what might you ask to learn if someone is well-suited to thrive in this management job, and in your company?

Step 4: Take turns interviewing. Each member of the group should be briefly interviewed (5–10 minutes) for the job he or she selected.

Step 5: Debrief. Discuss your experiences with your partner(s). What was it like to be interviewed for your selected position? What was it like to role-play interviewing someone for a management position? Now imagine the real thing. Brainstorm about how you might prepare yourself over time to be the top candidate for an attractive management position and to be a senior manager responsible for hiring the best qualified managers for your company.

Step 6: Discuss with the class. Share your interview experiences and brainstorming ideas with the class. Do you hear any similarities across the pairs/triads? What ideas or questions are most significant to you as you consider management job interviews?

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Self-Assessment

IS MANAGEMENT FOR YOU?

This assessment is meant to establish your students' baseline interests in the skills covered in the chapter. It will *not* tell them whether they should or should not be a manager, or whether they have "what it takes" to be a manager. It will, however, give them feedback on whether they are interested in the kinds of things that managers do in their jobs. The research supporting this assessment can be found in P. Hunsaker, *Management: A Skills Approach* (Upper Saddle River, New Jersey: Pearson Prentice Hall, 2005) 24-25.

In-Class Use

Give students 5–7 minutes to complete the inventory.

Scoring

Scoring instructions are included in the Self-Assessment at the end of the chapter. But students will want to know what their raw score means. Here's what you can tell them:

> Scores range from 20 to 100. Higher scores indicate a better match between your current behaviors and tendencies and those needed for a career in management. If your score is low, it does not necessarily mean that you will have an unsuccessful management career. Examine your results more closely. Which items did you mark as most unlike you? Now think about how those items relate to the management functions and roles in the chapter. In order to be effective in areas you considered unlike yourself, you will most likely need to develop compensatory skills or behaviors to overcome those deficiencies. For example, one of the functions of management is organizing, so if you marked "I am an organized person" as "most unlike me," you will definitely need to begin developing your organizational skills.

Management Workplace

Management Workplace videos can support several in-class uses. In most cases you can build an entire 50-minute class around them. Alternatively, they can provide a springboard into a group lesson plan. The Management Workplace video for Chapter 1 would be a nice companion to your introduction to the course on the first day of classes.

VIDEO: Camp Bow Wow

Innovative Management for a Changing World

Summary:

Sue Ryan, a Camp Bow Wow franchisee from Colorado, knows the ins and outs of managing a care center for pets. To help launch her business a few years ago, Ryan recruited experienced pet care worker Candace Stathis, who came on as a camp counselor. Ryan soon recognized that Stathis was a star performer with a natural ability to work with clients and pets alike, and today Stathis serves as the camp's general manager. At Camp Bow Wow, store managers have distinct roles from camp counselors. Whereas counselors typically take care of dogs, answer phones, and book reservations, managers must know how to run all operations and mange people as well. To keep camp running as efficiently as possible, Stathis maintains a strict daily schedule for doggie baths, nail trimmings, feedings, and play time.

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Discussion Questions:

1. Identify three skills that companies look for in managers and explain which might be most needed for the Camp Bow Wow leaders highlighted in the video.

   The three general categories of management skills are conceptual skills, human skills, and technical skills. Conceptual skill, which is the most important skill category for top managers, is the cognitive ability to see the organization as a whole system and the relationship among its parts. Human skill, which is highly important for middle managers, is the ability to work with and through other people and to work effectively as a group member. Technical skill, which is most important for first-line managers and nonmanagers, is the understanding of and proficiency in the performance of specific tasks.

   While all managers at Camp Bow Wow require some degree of each of the three skill sets, Camp Bow Wow franchise owner Sue Ryan needs to have well-developed conceptual skills to think strategically about her business, to understand how it interacts with market trends, and to manage the ongoing relationship with corporate headquarters. General Manager Candace Stathis needs to specialize in human skills—especially as the primary person responsible for building good relationships with clients. Camp counselors at Camp Bow Wow need to have technical skill in managing dog care and general office work.

2. Which activities at Camp Bow Wow require high efficiency? Which activities require high effectiveness?

   Effectiveness is the degree to which the organization achieves a stated goal; efficiency refers to the amount of resources used to achieve an organizational goal. A high performance company is one that achieves organizational goals to the maximum extent possible (effectiveness) while making the best use of limited resources (efficiency). According to Candace Stathis, the dog care tasks at Camp Bow Wow require high efficiency so that everything gets done on time and according to schedule. In contrast, she says customer service needs to be effective but not necessarily efficient, since overemphasis on efficiency could interfere with quality customer interactions. “Customer service has to be effective as opposed to efficient because it’s important for the owners to know that you care about their dogs,” Stathis said. “If you’re just trying to be efficient, then it’s not going to make them want to come back, and it’s not going to make them feel that you know them or their dog.” She points out that the hardest part of her job is trying to juggle the customer service side of the business with the pet care side.

3. List two activities that leaders at Camp Bow Wow perform daily, and identify which of the managerial roles discussed in the chapter figure prominently for each.

   Answers will vary, but Candace Stathis performs the interpersonal roles of figurehead and liaison whenever she meets with dog owners. Owner Sue Ryan performs the decisional roles of entrepreneur and resource allocator in starting a franchise business and hiring managers and counselors to help her operate the new business.

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Management Workplace Video Quiz

Students are able to take the following video quiz on CourseMate. The video is broken into segments, and each segment has related questions to make sure students understand how the clip connects to the chapter concepts.

Video Segment 1

Video segment title	Management Skills and Positions
Start time (in sec)	0:00
Stop time (in sec)	1:54
Quiz Question 1	In this clip, Camp Bow Wow general manager Candace Stathis emphasizes the importance of the following managerial skills: a. Conceptual skills b. Human skills c. Technical skills d. Time management skills
Correct option	b: Human skills
Feedback	According to Candace Stathis, the most important part of her job is managing people.
Quiz Question 2	Camp Bow Wow franchise owner Sue Ryan states that managers need to understand the "big picture" aspects of their jobs. This requires the following managerial skills: a. Conceptual skills b. Human skills c. Technical skills d. Time management skills
Correct option	a: Conceptual skills
Feedback	Conceptual skills are the ability to see the organization as a whole, to understand how the different parts of the company affect each other, and to recognize how the company fits into or is affected by its external environment.
Quiz Question 3	Camp Bow Wow owner Sue Ryan explains that she established her business with a flat leadership structure but began promoting people to higher management positions within the organization. This speaks of the different: a. Functions of management b. Roles of management c. Kinds of management d. Challenges of management
Correct option	c: Kindsof management
Feedback	The different kinds of managers in an organization occupy different levels of the organization and have different responsibilities.

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Video Segment 2

Video segment title	Management Roles
Start time (in sec)	1:54
Stop time (in sec)	3:40
Quiz Question 1	When Sue Ryan describes the inner-workings of Camp Bow Wow in this video, which managerial role is she fulfilling? a. Monitor b. Leader c. Liaison d. Spokesperson
Correct option	d: Spokesperson
Feedback	In the spokesperson role, managers share information with people outside of their departments and company.
Quiz Question 2	According to Sue Ryan, a staff position at Camp Bow Wow is designed to cover multiple roles – taking care of dogs, answering phones, providing customer service, making reservations, etc. What managerial role is Sue fulfilling in designing these jobs? a. Entrepreneur b. Negotiator c. Disturbance handler d. Resource allocator
Correct option	b: Negotiator
Feedback	In the negotiator role, managers negotiate schedules, projects, goals, outcomes, resources, and raises.
Quiz Question 3	When a manager at Camp Bow Wow has to deal with an unsatisfied customer or a particularly troublesome dog, which managerial role is she fulfilling? a. Disturbance handler b. Monitor c. Entrepreneur d. Figurehead
Correct option	a: Disturbance handler
Feedback	In the disturbance handler role, managers respond to pressures and problems that need immediate attention.

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Video Segment 3

Video segment title	Balancing Effectiveness and Efficiency
Start time (in sec)	3:40
Stop time (in sec)	6:02
Quiz Question 1	Based on the contents of the video, a strong emphasis on efficiency in customer service matters would result in: a. High quality interactions with clients b. Low quality interactions with clients c. No interactions with clients d. Longer wait times for pet pick-up
Correct option	b: Low quality interactions with clients
Feedback	If Camp Bow Wow employees focus on getting customers out the door faster, they would have less interaction with those customers.
Quiz Question 2	Based on the contents of the video, a strong emphasis on effectiveness in customer service matters would result in: a. High quality interactions with clients b. Low quality interactions with clients c. No interactions with clients d. Shorter wait times for pet pick-up
Correct option	a: High quality interactions with clients
Feedback	Both Candace and Sue agree that an effective employee spends time with the customer to inform them what is going on with their pets.
Quiz Question 3	Camp Bow Wow owner Sue Ryan learned to balance management efficiency and effectiveness by: a. Working longer hours b. Cutting job duties c. Providing fewer pet services d. Delegating responsibilities to a management team
Correct option	d: Delegating responsibilities to a management team
Feedback	According to Sue, the presence of a management team helped her balance her many responsibilities.

Additional Assignments and Activities

Review Questions

1. Explain the difference between efficiency and effectiveness.

   Efficiency is getting work done with a minimum of effort, expense, or waste. By itself, efficiency is not enough to ensure success. Managers must also strive for **effectiveness,** which is accomplishing tasks that help fulfill organizational objectives, such as customer service and satisfaction.

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2. What are the four management functions?

   Henri Fayol's classic management functions are known today as planning, organizing, leading, and controlling. **Planning** is determining organizational goals and a means for achieving them. **Organizing** is deciding where decisions will be made, who will do what jobs and tasks, and who will work for whom. **Leading** is inspiring and motivating workers to work hard to achieve organizational goals. **Controlling** is monitoring progress toward goal achievement and taking corrective action when needed. Studies show that performing the management functions well leads to better managerial performance.

3. What are the main differences in the responsibilities of top managers versus middle managers?

   - *Top managers* lead the company toward an overall direction. They make the big-picture, most important decisions for the company. Examples of top managers are the chief executive officer (CEO), the president, or the chief operating officer (COO). In the military, the top manager would be a general or admiral.
   - *Middle managers* develop shorter-term goals and plans that help to fulfill overall goals developed by top managers. They lead divisions and departments in the achievement of these goals. Examples of middle managers include a plant manager, a division manager, or a regional sales manager.

4. What distinguishes a first-line manager from a team leader?

   - *First-line managers* manage the work of entry-level workers. They must constantly motivate and manage the activities of many different people. Examples of first-line managers are shift supervisors at a restaurant and store managers.
   - *Team leaders* are a relatively new type of management. Team leaders facilitate the process of a team's projects and tend to manage laterally; that is, they manage people who do not necessarily formally report to them. They schedule the team's work, help solve problems, and represent the team's efforts to other management. An example would be the leader of a new product development team that includes employees from different departments such as marketing, research and development, and production.

5. Describe the three principal managerial roles identified by Henry Mintzberg and give examples of each.

   Managers play interpersonal roles, decisional roles, and informational roles.

   Interpersonal roles: Managers must be able to work with people across the organization. They must be:

   - *Figureheads* who perform ceremonial duties or otherwise represent the areas they manage;
   - *Leaders* who motivate and encourage workers to accomplish organizational objectives; and
   - *Liaisons* who deal with people outside their units.

   Informational roles: Managers are responsible for obtaining and sharing information with the people they manage. They must be:

   - *Monitors* who scan their environment for information, actively contact others for information, and receive a great deal of unsolicited information;
   - *Disseminators* who share the information they have collected with their subordinates and others in the company; and
   - *Spokespeople* who share information with people outside their departments and companies.

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Decisional roles: Managers must be able to make good decisions in a variety of areas. They must be:

- *Entrepreneurs* who adapt themselves, their subordinates, and their units to incremental change;
- *Disturbance handlers* who respond to pressures and problems so severe that they demand immediate attention and action;
- *Resource allocators* who decide who will get what resources and how many resources they will get; and
- *Negotiators* who negotiate schedules, projects, goals, outcomes, resources, and employee raises.

6. How do companies determine that employees would be good managers?

- *Technical skills* are the ability to apply the specialized procedures, techniques, and knowledge required to get the job done. For example, the manager of product development at a semiconductor company must understand how to design integrated circuits.
- *Human skills* are the ability to work well with others. For example, a manager must encourage his or her subordinates to do their best by understanding what motivates each of them.
- *Conceptual skills* are the ability to see the organization as whole, how the different parts of the company affect each other, and how the company fits into or is affected by its external environment, such as the local community, social and economic forces, customers, and competition. For example, a manager must understand how a government regulation will impact the business in the future or how the company will grow in the long-run.
- *Motivation to manage* is the willingness to interact with superiors, participate in competitive situations, behave assertively toward others, tell others what to do, reward good behavior and punish poor behavior, perform actions that are highly visible to others, and handle and organize administrative tasks.

7. How important is competence in the core managerial skills for the different types of managers?

- *Technical skills* are especially important for first-line managers who supervise the workers who produce products or serve customers. Team leaders and first-line managers need technical knowledge and skills to train new employees and help employees solve problems. An example would be an engineering manager who manages a department of engineers who design cars.
- *Human skills* are equally important to all management levels. However, upper-level managers tend to spend more time with human skills. On average, first-line managers spend 57 percent of their time with people, middle managers spend 63 percent of their time directly with people, and top managers spend as much as 78 percent of their time dealing with people. An example is a vice-president who must negotiate with other vice-presidents on scarce resources.
- *Conceptual skills* are especially important at the upper levels of management. These leaders must be able to create a vision of the company's future, a task which requires great intelligence and conceptual ability. However, a lower-level manager with great conceptual skills may be viewed as having potential to rise in the organization. An example is a CEO who must chart the long-term course of the company.

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8. List the mistakes that managers commonly make. What distinguishes an arriver from a derailer?

   The top ten mistakes made by first-year managers are:

   - Insensitive to others: abrasive, intimidating, bullying style
   - Cold, aloof, arrogant
   - Betrayal of trust
   - Overly ambitious: thinking of next job, playing politics
   - Specific performance problems with the business
   - Overmanaging: unable to delegate or build a team
   - Unable to staff effectively
   - Unable to think strategically
   - Unable to adapt to boss with different style
   - Overdependent on advocate or mentor

   Researchers found that there were only a few differences between arrivers and derailers. For the most part, both groups were talented and both groups had weaknesses. But what distinguished derailers from arrivers was that derailers possessed two or more fatal flaws with respect to the way that they managed people. Although arrivers were by no means perfect, they usually had no more than one fatal flaw or had found ways to minimize the effects of their flaws on the people with whom they worked.

9. Describe how managers typically change in their first year on the job.

   At first, most new managers make the mistake of using formal authority and acting like a "boss" and of seeing their jobs as managing tasks instead of people. After a few months in management, they discover that their initial expectations were wrong and discover the overwhelming workload and fast pace of their positions. Also, they see their roles as problem-solvers and trouble-shooters for their subordinates. Once they have become more seasoned, they see the importance of communicating, listening, and giving positive reinforcement and they begin delegating. They also see their jobs as developing people, not managing tasks.

   As with any change, new managers must "grow into" their jobs. The best way to become a good manager is to start managing.

10. How does the way a company is managed affect its competitive advantage?

    An organization's most important resource is its people, and how this resource is utilized will determine the success or failure of the organization. By understanding and using good management practices, organizations can create significant competitive advantages in their own industries. Some of these practices include: employment security, selective hiring, self-managed teams and decentralization, high pay contingent on company performance, extensive training, reduced status distinctions (between managers and employees), and extensive sharing of financial information.

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Develop Your Career Potential

INTERVIEW TWO MANAGERS

This assignment is designed to raise students' awareness about the day-to-day realities of managerial work. Consequently, this is an excellent assignment to discuss in class. If finding managers to interview is difficult for students (huge class, rural location, etc.), this assignment can also be done in pairs or in threesomes. Since students are to interview experienced and inexperienced managers, ask students to describe the responses they received from both. Compare and contrast the differences as you process the discussion on the board.

Here are the questions that students should ask their interviewees:

1. Briefly describe your current position and responsibilities.
2. What do your subordinates expect from you on the job?
3. What are the major stresses and challenges you face on job?
4. What, if anything, do you dislike about the job?
5. What do you like best about your job?
6. What are the critical differences between average managers and top-performing managers?
7. Think about the skills and knowledge that you need to be effective in your job. What are they, and how did you acquire them?
8. What have been your biggest mistakes thus far? Could you have avoided them? If so, how?

Organizing the Discussion

Eight questions is a lot of material to review, so here are some suggestions for organizing class discussion: First, break the class into small groups for a short discussion and review of individual findings. Second, have each group choose a group spokesperson to report group findings to the class. Third, divide the groups according to how you want to organize the discussion. One way to do this is by the *content of the questions*. For example, you can assign each group responsibility for a different pair of questions: 1 & 2, 3 & 6, 4 & 5, and then 7 & 8. If you have more than four groups, it's okay to assign the same pair of questions to different groups. This allows everyone to participate in the discussion in a shorter amount of time.

Another way to organize discussion is by the *kind of manager* that your students interviewed. Ask students who interviewed top-level managers to raise their hands. This will probably be the smallest group. Then form groups of students who interviewed middle managers, then first-level managers, and then team leaders. Depending on your time constraints, have groups form answers to each question or to a limited number of questions—questions 1, 3, 6, and 7 provide good comparisons across the different kinds of managerial jobs.

Finally, several questions lend themselves to direct comparisons with material in the book. Questions 6 and 8 can be compared to Exhibit 1.5 in the textbook, which shows the *Top 10 Mistakes That Managers Make*. The link to question 8 about management mistakes is obvious. However, the comparison between average managers and top performers in question 6 is similar to the comparison between arrivers and derailers, the latter of whom usually possessed at least two of the fatal flaws found in the top-ten list of mistakes. Question 7, on the skills and knowledge that managers need to be effective, can easily be compared to the discussion of managerial skills in the textbook.

For example, *technical skill* is the ability to apply the specialized procedures, techniques, and knowledge required to get the job done. *Human skill* is the ability to work well with others. *Conceptual skill* is the ability to see the organization as a whole, how the different parts affect each other, and how the company fits into or is affected by its environment. *Motivation to manage* is how motivated employees are to direct the work of others.

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Additional Activities

Out-of-Class Project: "Career Skills Requirements." This activity is a companion to the assignment in the Group Work lesson plan. For this project, each student in a group should research a career in which they are interested. The research should focus on the skills necessary to succeed in this career: technical, human, and conceptual skills. Students can use secondary sources or interview people who currently have these careers. Students should then share what they've found with their group members in class.

Management Skills. Go to the website of Apple, Inc., at **http://www.apple.com/jobs/us/corporate.html**. Select a job in which you would be interested. Read the job description and job qualifications. Where is the job located? What does the job entail? Put together an action plan of what you would need to do in order to be qualified for this job, including the education and/or training you need as well as the development of certain skills.

Management Levels and Types. Go to the website of Cincinnati, Ohio at **www.cincinnati-oh.gov**. Under the "Government" tab, there is a link labeled "Departments" that shows how the city government is organized. Determine who would be considered: 1) top management; 2) middle management; and 3) first-level management. Do you think team managers could also be used in this city government?

Competitive Advantage through People. Go to the website of *Fortune* magazine at **www.fortune.com**. Click on the "Rankings" link for *Fortune* rankings. Select "World's Most Admired Companies." Among the list, select one company and skim the various articles about the company. What criteria were used to judge companies? Why do you believe this company made this list? What specific management issues make this company so admired?

Management Consulting. Go to the website of the Boston Consulting Group, one of the world's leading consulting companies, at **www.bcg.com**. What are the company's areas of expertise? Which of these areas involves management consulting? Provide a one-page description of BCG and its management consulting services.

Management Careers. Search the Internet for five different management careers. These careers can include: human resource manager, strategic planner, operations manager, marketing manager, engineering manager, etc. Write a paragraph describing the duties that each of these careers might involve.

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