

SOLUTIONS MANUAL



CHUCK WILLIAMS 5

MGMT

WHAT'S INSIDE: STUDENT EDITION

A Student-Tested, Faculty-Approved
Approach to Learning
PRINCIPLES OF MANAGEMENT

A photograph showing four business professionals in a meeting. Two men and two women are seated around a table, engaged in discussion. The setting appears to be a modern office or conference room with large windows in the background.

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Chapter 2: History of Management

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 2.

- [Lesson Plan for Lecture \(for large sections\)](#)
- [Lesson Plan for Group Work \(for smaller classes\)](#)
- [Assignments with Teaching Tips and Solutions](#)
 - ✓ [What Would You Do Case? Assignment](#)—ISG Steelton
 - ✓ [Self-Assessment](#)—Dealing with Conflict
 - ✓ [Management Decision](#)—Tough Love?
 - ✓ [Management Team Decision](#)—Resolving Conflicts
 - ✓ [Practice Being a Manager](#)—Observing History Today
 - ✓ [Develop Your Career Potential](#)—Know Where Management Is Going
 - ✓ [Reel to Real Video Assignment: Biz Flix](#)—*Casino*
 - ✓ [Reel to Real Video Assignment: Management Workplace](#)—Barcelona Restaurant Group
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Highlighted Assignments

What Would You Do? Case Assignment

Self-Assessment

Management Decision

Management Team Decision

Practice Being a Manager

Develop Your Career Potential

Reel to Real Video Assignment: Biz Flix

Reel to Real Video Assignment: Management Workplace

Key Points

Frederick Taylor’s original research is made more accessible by casting college students with summer jobs at the steel mill, in the role of the workers Taylor used in his pig iron studies.

Students can use the assessment to gain a better understanding of how they deal with conflict.

A manager faces the decision of how to discipline employees.

As a management team, students must decide how to resolve a conflict between a company and employees.

Students do observational activities to see management theories in practice in modern work environments.

Students begin scanning the press to get a sense of where management is going.

Casino is a complex study of Las Vegas gambling casinos and their organized crime connections during the 1970s.

Barcelona Restaurant Group strives to provide a unique dining experience by hiring a staff that has the freedom to impress customers.

Supplemental Resources

Course Pre-Assessment

Course Post-Assessment

Where to Find Them

IRCD

IRCD

PowerPoint slides with lecture notes	IRCD and online
Who Wants to Be a Manager game	IRCD and online
Test Bank	IRCD and online
What Would You Do? Quiz	Online

Learning Outcomes

1 Explain the origins of management.

Management as a field of study is just 125 years old, but management ideas and practices have actually been used since 5000 BCE. From ancient Sumeria to 16th-century Europe, there are historical antecedents for each of the functions of management discussed in this textbook: planning, organizing, leading, and controlling. However, there was no compelling need for managers until systematic changes in the nature of work and organizations occurred during the last two centuries. As work shifted from families to factories; from skilled laborers to specialized, unskilled laborers; from small, self-organized groups to large factories employing thousands under one roof; and from unique, small batches of production to standardized mass production; managers were needed to impose order and structure, to motivate and direct large groups of workers, and to plan and make decisions that optimized overall performance by effectively coordinating the different parts of an organizational system.

2 Explain the history of scientific management.

Scientific management involves studying and testing different work methods to identify the best, most efficient way to complete a job. According to Frederick W. Taylor, the father of scientific management, managers should follow four scientific management principles. First, study each element of work to determine the one best way to do it. Second, scientifically select, train, teach, and develop workers to reach their full potential. Third, cooperate with employees to ensure that the scientific principles are implemented. Fourth, divide the work and the responsibility equally between management and workers. Above all, Taylor felt these principles could be used to align managers and employees by determining a fair day's work, what an average worker could produce at a reasonable pace, and a fair day's pay (what management should pay workers for that effort). Taylor felt that incentives were one of the best ways to align management and employees.

Frank and Lillian Gilbreth are best known for their use of motion studies to simplify work. Whereas Taylor used time study to determine a fair day's work based on how long it took a "first-class man" to complete each part of his job, Frank Gilbreth used film cameras and microchronometers to conduct motion study to improve efficiency by eliminating unnecessary or repetitive motions. Henry Gantt is best known for the Gantt chart, which graphically indicates when a series of tasks must be completed to perform a job or project, but he also developed ideas regarding worker training (all workers should be trained and their managers should be rewarded for training them).

3 Discuss the history of bureaucratic and administrative management.

Today, we associate bureaucracy with inefficiency and red tape. Yet, German sociologist Max Weber thought that bureaucracy—that is, running organizations on the basis of knowledge, fairness, and logical rules and procedures—would accomplish organizational goals much more efficiently than monarchies and patriarchies, where decisions were based on personal or family connections, personal gain, and arbitrary decision making. Bureaucracies are characterized by seven elements: qualification-based hiring; merit-based promotion; chain of command; division of labor; impartial application of rules and procedures; recording rules, procedures, and decisions in writing; and separating managers from owners. Nonetheless, bureaucracies are often inefficient and can be highly resistant to change.

The Frenchman Henri Fayol, whose ideas were shaped by his more than 20 years of experience as a CEO, is best known for developing five management functions (planning, organizing, coordinating, commanding, and controlling) and fourteen principles of management (division of work, authority and responsibility, discipline, unity of command, unity of direction, subordination of individual interests to the general interest, remuneration, centralization, scalar chain, order, equity, stability of tenure of personnel, initiative, and *esprit de corps*).

4 Explain the history of human relations management.

Unlike most people who view conflict as bad, Mary Parker Follett believed that it should be embraced rather than avoided. Of the three ways of dealing with conflict—domination, compromise, and integration—she argued that the latter was the best because it focuses on developing creative methods for meeting conflicting parties' needs.

Elton Mayo is best known for his role in the Hawthorne Studies at the Western Electric Company. In the first stage of the Hawthorne Studies, production went up because the increased attention paid to the workers in the study and their development into a cohesive work group led to significantly higher levels of job satisfaction and productivity. In the second stage, productivity dropped because the workers had already developed strong negative norms. The Hawthorne Studies demonstrated that workers' feelings and attitudes affected their work, that financial incentives weren't necessarily the most important motivator for workers, and that group norms and behavior play a critical role in behavior at work.

Chester Barnard, president of New Jersey Bell Telephone, emphasized the critical importance of willing cooperation in organizations. In general, Barnard argued that people will be indifferent to managerial directives or orders if they (1) are understood, (2) are consistent with the purpose of the organization, (3) are compatible with the people's personal interests, and (4) can actually be carried out by those people. Acceptance of managerial authority (i.e., cooperation) is not automatic, however.

5 Discuss the history of operations, information, systems, and contingency management.

Operations management uses a quantitative or mathematical approach to find ways to increase productivity, improve quality, and manage or reduce costly inventories. The manufacture of standardized, interchangeable parts, the graphical and computerized design of parts, and the accidental discovery of just-in-time inventory systems were some of the most important historical events in operations management.

Throughout history, organizations have pushed for and quickly adopted new information technologies that reduce the cost or increase the speed with which they can acquire, store, retrieve, or communicate information. Historically, some of the most important technologies that have revolutionized information management were the creation of paper and the printing press in the 14th and 15th centuries, the manual typewriter in 1850, the cash register in 1879, the telephone in the 1880s, the personal computer in the 1980s, and the Internet in the 1990s.

A system is a set of interrelated elements or parts (subsystems) that function as a whole. Organizational systems obtain inputs from both general and specific environments. Managers and workers then use their management knowledge and manufacturing techniques to transform those inputs into outputs, which, in turn, provide feedback to the organization. Organizational systems must also address the issues of synergy and open *versus* closed systems.

Finally, the contingency approach to management clearly states that there are no universal management theories. The most effective management theory or idea depends on the kinds of problems or situations that managers or organizations are facing at a particular time. This means that management is much harder than it looks.

Terms

Bureaucracy
 Closed systems
 Contingency approach
 Gantt Chart
 Integrative conflict resolution

Motion study
 Open systems
 Organization
 Rate buster
 Scientific management
 Soldiering

Subsystems
 Synergy
 System
 Time study

Lesson Plan for Lecture (for large sections)

Pre-Class Prep for You:

- Prepare the syllabus.
- Bring the PPT slides.

Pre-Class Prep for Your Students:

- Buy the book.

Warm Up

Begin Chapter 2 by leading students through this series of questions:

- “How long have there been managers?” (since the late 1800s)
- “So if managers have only been around since the late 19th century, does that mean the origin of management dates also to that time?” (yes/no)
- “Explain.”

(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

In the Beginning

- 1 The Origins of Management
 - 1.1 Management Ideas and Practice throughout History
 - 1.2 Why We Need Managers Today

PowerPoint Slides

- 1: History of Management
- 2: Learning Outcomes
- 3: In the Beginning
- 4: Management Ideas and Practice throughout History
- 5: Why We Need Managers Today

Activities

The Evolution of Management

- 2 Scientific Management
 - 2.1 Father of Scientific Management: Frederick W. Taylor
 - 2.2 Motion Studies:

- 6: The Evolution of Management
- 7: Scientific Management
- 8: Frederick W. Taylor’s Principles of Scientific Management
- 9: Frank and Lillian Gilbreth
- 10: Henry Gantt

Ask the class to give specific examples of each of these types (using titles).

	Frank and Lillian Gilbreth	11: Gantt Chart for Starting Construction on a New Headquarters	
	2.3 Charts: Henry Gantt		
3	Bureaucratic and Administrative Management	12: Bureaucratic Management: Max Weber	
	3.1 Bureaucratic Management: Max Weber	13: Elements of Bureaucratic Organizations	
	3.2 Administrative Management: Henri Fayol	14: Administrative Management: Henri Fayol	
		15: Fayol's Fourteen Principles of Management	
4	Human Relations Management	16: Constructive Conflict: Mary Parker Follett	
	4.1 Constructive Conflict: Mary Parker Follett	17: Mary Parker Follett	
	4.2 Hawthorne Studies: Elton Mayo	18: Mary Parker Follett	
	4.3 Cooperation and Acceptance of Authority: Chester Barnard	19: Hawthorne Studies: Elton Mayo	
		20: Cooperation and Acceptance of Authority: Chester Barnard	
		21: Zone of Indifference	
5	Operations, Information, Systems, and Contingency Management	22: Operations Management	
	5.1 Operations Management	23: Information Management	
	5.2 Information Management	24: Systems Management	
	5.3 Systems Management	25: Systems	
	5.4 Contingency Management	26: Systems View of Organizations	
		27: Contingency Management	
Reel to Real Videos		28: <i>Casino</i>	Launch the video in slide 28. Questions on the slide can guide discussion.
		29: Barcelona Restaurant Group	Launch the video in slide 29. Questions on the slide can guide discussion.

Adjust the 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:

“Efficiency is exploitation: The studies and techniques developed by Taylor and Gilbreth simply enabled employers to get more work out of their employees.”

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 from [Management Decision—Tough Love?](#)
2. If you have finished covering Chapter 2, assign students to review Chapter 2 and read the next chapter on your syllabus.

Remind students about any upcoming events.

Lesson Plan for Group Work (for smaller classes)

Pre-Class Prep for You:

- Set up the classroom so that small groups of 4 to 5 students can sit together.

Pre-Class Prep for Your Students:

- Bring the book.

Warm Up

Begin Chapter 2 by leading students through this series of questions:

- “How long have there been managers?” (since the late 1800s)
- “So if managers have only been around since the late 19th century, does that mean the origin of management dates also to that time?” (yes/no)
- “Explain.”

(If a blackboard is available, begin to write their ideas on it so that a cumulative definition can be derived.)

Content Delivery

Lecture on The Origins of Management (Section 1).

Break for the following group activity:

“Scientific Management”

Divide the class into small groups, and give students roughly 5 minutes to review the What Would You Do? case. Have students come to an agreement about how they would get the work done (the metal moved) and why they think that method would work.

Have groups share their work with the whole class.

Lecture on Scientific Management (Section 2).

Before lecturing on next section, do the following activity:

“Gantt Charts”

Put the class back into small groups. Give each group a blank Gantt chart, and have them create the chart using a one of the projects below. Make sure ALL groups use the same project so that you can compare ideas across groups after the work is complete.

- Planning a campus fund-raiser for the end of the semester
- Mapping out a research project that is due at the end of the semester
- Planning a formal birthday party for a friend or relative

Have groups share their work with the class.

Lecture on Bureaucratic and Administrative Management and Human Relations Management (Sections 3 and 4).

Lecture on Operations, Information, Systems, and Contingency Management (Section 5).

Special Items

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

“Efficiency is exploitation: The studies and techniques developed by Taylor and Gilbreth simply enabled employers to get more work out of their employees.”

Make sure students back up their answers.

Conclusion and Preview

Possible assignments:

1. Have students work through the [Management Decision—Tough Love?](#), at the end of the chapter. To check the work is done, you can either require written answers, or let students know that the next time the class meets, you will call on one of them to present his or her work.
2. Have students do the [Develop Your Career Potential—Know Where Management Is Going](#). Require them to bring in the article and the concept list to the next class meeting. If your class is small enough, spend 5 minutes having students share their results at the beginning of class as a warm-up to the next lecture. Ask a student who has an article based on the content you are going to cover to present last.
3. If you have finished covering Chapter 2, assign students to review Chapter 2 and read the next chapter on your syllabus.

Remind students about any upcoming events.

Additional Activity

Out-of-Class Project: “Peer Review.” Each group of 4 to 5 students should work through the Management Team Decision. The case deals with developing peer review systems for conflict management and gives the example of a convenience store employee who foils a robbery, breaking a company policy against heroism. Students will need to draft guidelines for a peer-review process, make a decision using that process, and then determine if peer review was the most appropriate method for deciding the outcome in the case.

Assignments with Teaching Tips and Solutions

What Would You Do? Case Assignment

ISG STEELTON

International Steel Group, Steelton, Pennsylvania.

As the day-shift supervisor at the ISG Steelton steel plant, you summon the six college students who are working for you this summer, doing whatever you need done (sweeping up, sandblasting the inside of boilers that are down for maintenance, running errands, and so forth). You walk them across the plant to a field where the company stores scrap metal. The area, about the size of a football field, is stacked with organized piles of metal. You explain that everything they see has just been sold. Metal prices, which have been depressed, have finally risen enough that the company can earn a small profit by selling its scrap.

You point out that railroad tracks divide the field into parallel sectors, like the lines on a football field, so that each stack of metal is no more than 15 feet from a track. Each stack contains 390 pieces of metal. Each piece weighs 92 pounds and is about a yard long and just over 4 inches high and 4 inches wide. You tell the students that, working as a team, they are to pick up each piece, walk up a ramp to a railroad car that will be positioned next to each stack, and then neatly position and stack the metal for shipment. That's right, you repeat, 92 pounds, *walk* up the ramp, and *carry* the metal onto the rail car. Anticipating their questions, you explain that a forklift could be used only if the metal were stored on wooden pallets (it isn't); if the pallets could withstand the weight of the metal (they would be crushed); and if you, as their supervisor, had forklifts and people trained to run them (you don't). In other words, the only way to get the metal into the rail cars is for the students to carry it.

Based on an old report from the last time the company sold some of the metal, you know that workers typically loaded about 30 pieces of metal parts per hour over an 8-hour shift. At that pace, though, it will take your six students *6 weeks* to load all of the metal. But the purchasing manager who sold it says it must be shipped in 2 weeks. Without more workers (there's a hiring freeze) and without forklifts, all of the metal has to be loaded by hand by these six workers in 2 weeks. But how do you do that? What would motivate the students to work much, much harder than they have all summer? They've gotten used to a leisurely pace and easy job assignments. Motivation might help, but motivation will only get so much done. After all, short of illegal steroids, nothing is going to work once muscle fatigue kicks in from carrying those 92-pound pieces of metal up a ramp all day long. What can you change about the way the work is done to deal with the unavoidable physical fatigue?

If you were the supervisor in charge, what would you do?

Sources:

J. Hough and M. White, "Using Stories to Create Change: The Object Lesson of Frederick Taylor's 'Pig-Tale,'" *Journal of Management* 27 (2001): 585–601; E. Locke, "The Ideas of Frederick W. Taylor: An Evaluation," *Academy of Management Review* 7 (1982): 14–24; F. W. Taylor, *The Principles of Scientific Management* (New York: Harper, 1911); C. Wrege and R. Hodgetts, "Frederick W. Taylor's 1899 Pig Iron Observations: Examining Fact, Fiction, and Lessons for the New Millennium," *Academy of Management Journal* 43 (2000): 1283–1291; D. Wren, *The History of Management Thought*, 5th ed. (New York: Wiley, 2005).

What Really Happened? Solution

In the case, you learned that six college students had summer jobs working for a supervisor at International Steel Group in Steelton, Pennsylvania. Their task, over the next two weeks, was to load thousands of 92-pound pieces of metal onto nearby railroad cars for shipping. Unfortunately, since the metal pieces were stacked individually and not on pallets, it wouldn't be possible to use a forklift to load

them. Likewise, because of a hiring freeze, the supervisor didn't have the option of hiring more workers. In other words, the only way to get the metal parts into the rail cars was for the college students to load them by hand. Previous experience with this task indicated that workers typically carried 30 to 31 metal parts per hour up the ramp into a rail car. At that pace, it would take the six college students six weeks to load all of the metal. Unfortunately, however, the purchasing manager who sold the metal had already agreed to have it all loaded and shipped within two weeks. Your job as a supervisor was to figure out how to solve this dilemma.

That general scenario is actually based on one of the most famous cases in the history of management, the pig iron experiments, which were conducted by Frederick W. Taylor, the father of scientific management, at Bethlehem Steel in Bethlehem, Pennsylvania, in 1899. Bethlehem Steel had 10,000 long tons (a long ton is 2,240 pounds) of pig iron on hand. Each pig was 32 inches long, approximately 4 inches high and 4 inches wide, and weighed, on average, about 92 pounds. After the price of a long ton of pig iron rose from \$11 to \$13.50 per ton, the company sold all 10,000 long tons of pig iron and used work crews to load it onto rail cars for shipping. And, like our college students in the opening case, the laborers at Bethlehem Steel had the job of carrying 92-pound pieces of pig iron up a steep plank and loading them onto a railroad car. Over the course of a 10-hour day, the average laborer could load about 12.5 tons, or 304 to 305 pieces, of pig iron per day; in other words, 30 to 31 pieces per hour. Based on a study analyzing the workers and how long it took them to complete each step involved in loading pig iron, Taylor and his associates, James Gillespie and Hartley Wolle, determined that the average laborer should be able to load 47.5 tons, or 1,156 pieces, of pig iron per day, or 115 to 116 pieces per hour over a 10-hour day. Nearly four times as much! Of course, the question was how to do it. Taylor wrote: "It was our duty to see that the... pig iron was loaded on to the cars at the rate of 47 tons per man per day, in place of 12.5 tons, at which rate the work was then being done. And it was further our duty to see that this work was done without bringing on a strike among the men, without any quarrel with the men, and to see that the men were happier and better contented when loading at the new rate of 47 tons than they were when loading at the old rate of 12.5 tons."

Let's find out what really happened and see what steps Frederick W. Taylor and his associates took to try to achieve this goal.

So, without more workers (there's a hiring freeze) and without forklifts, it all has to be loaded by hand by these six workers in two weeks. But how do you do that? What would motivate them to work much, much harder than they have been all summer? After all, they've gotten used to the leisurely pace and job assignments.

One of Taylor's strongest beliefs was that it was management's responsibility to pay workers fairly for their work, or as Taylor would put it "a fair day's pay for a fair day's work." In essence, in an age of labor unrest when managers and workers distrusted, if not hated, each other, Taylor was trying to align management and employees so that each could see that what was good for employees was also good for management. Once this was done, he believed that workers and managers could avoid the conflicts that he had experienced at Midvale Steel. And one of the best ways, according to Taylor, to align management and employees was to use incentives to motivate workers. Taylor wrote that "...in order to have any hope of obtaining the initiative of his workmen the manager must give some special incentive to his men beyond that which is given to the average of the trade. This incentive can be given in several different ways, as, for example, the hope of rapid promotion or advancement; higher wages, either in the form of generous piecework prices or of a premium or bonus of some kind for good and rapid work; shorter hours of labor; better surroundings and working conditions than are ordinarily given, etc., and, above all, this special incentive should be accompanied by that personal consideration for, and friendly contact with, his workmen which comes only from a genuine and kindly interest in the welfare of those under him. It is only by giving a special inducement or 'incentive' of this kind that the employer can hope even approximately to get the 'initiative' of his workmen."

So, what kind of incentives did Taylor provide the laborers who were loading pig iron onto the rail cars? Taylor increased worker's pay by 61 percent, from \$1.15 a day to approximately \$1.85 a day, contingent on loading 47.5 tons of pig iron. While that may not sound like much today, imagine if you were offered a 61% increase in pay. For example, since the average business college graduate earns a starting salary of about \$40,000 a year, imagine being offered a \$24,000 increase in pay. Would that

increase motivate you? How much harder would you be willing to work for a 61% increase in pay? Here's what Taylor wrote regarding the motivating power of money for Henry Knolle (called "Schmidt" in Taylor's book), who was one of the pig iron handlers: "We found that upon wages of \$1.15 a day he had succeeded in buying a small plot of ground, and that he was engaged in putting up the walls of a little house for himself in the morning before starting to work and at night after leaving. He also had the reputation of being exceedingly 'close,' that is, of placing a very high value on a dollar. As one man whom we talked to about him said, 'A penny looks about the size of a cart-wheel to him.'" When asked whether he wanted to earn \$1.85 per day, what Taylor called a "high-priced man," Knolle, who had immigrated to the United States, responded, "Did I want \$1.85 a day? Was dot a high-priced man? Vell, yes, I was a high-priced man." Taylor wrote: "And throughout this time he [Knolle] averaged a little more than \$1.85 per day, whereas before he had never received over \$1.15 per day, which was the ruling rate of wages at that time in Bethlehem. That is, he received 60% higher wages than were paid to other men who were not working on task work." In fact, the pay increase could be even larger or smaller depending on how much each worker loaded each day. For example, worker Simon Conrad averaged 55.1 tons per day and thus received an average of \$2.07 per day. Likewise, worker Joseph Auer averaged 49.9 tons per day and received an average of \$1.87 per day. Were all workers able to make more money under this incentive system? No, and Taylor indicated that only about one in eight workers was capable of that level of performance at this task. For some, the work was too physically taxing [more on that below], and they were allowed to return to the guaranteed daily wage of \$1.15 per day. But, when Taylor's incentive system was used with workers who were physically capable of performing the job (and Taylor's third principle of scientific management indicates that managers should select workers on the basis of their aptitude to do a job well) the amount of pig iron loaded per day typically increased by a factor of three or four.

In the long run, was Taylor right about the motivating power of money? Yes and no. Yes, in that numerous studies over the last 100+ years show that when financial rewards are clearly tied to performance, they significantly increase individual performance. Do financial rewards work all of the time? No. But, as you'll learn in Chapter 13 on motivation, linking financial rewards to individual performance increases performance 68% of the time in general and 84% of the time in manufacturing settings, such as at Bethlehem Steel. So, how was Taylor wrong about the motivating power of money? Well, to the extent to which the results of the pig iron experiments were considered representative, it should be noted that few others have been able to achieve the quadrupling of performance that was associated with financial incentives in Taylor's pig iron experiments. On average, using individually based financial incentives increases performance "just" 23% to 30%. However, 23% to 30% is still a large increase in performance, and you'll see few companies ignore management ideas that can bring about such large improvements.

And while motivation might help, motivation will only get so much done. After all, short of illegal steroids, nothing is going to work once muscle fatigue kicks in from carrying those 92-pound parts up a ramp all day long. So, what can you change about the way the work is done to deal with the physical fatigue that can't be avoided from this kind of work?

Another of Taylor's controversial proposals was to give rest breaks to workers doing physical labor. We take morning, lunch, and afternoon breaks for granted, but in Taylor's day, factory workers were expected to work without stopping. If they were being paid for 10 hours of work, then they should be working for those 10 hours. When Taylor said that breaks would increase worker productivity, no one believed him. Given the prevalent beliefs of the time, people just didn't comprehend how time spent not working, such as rest breaks, could actually lead to more work getting done. In short, people believed that if you worked fewer minutes, you'd get less done, not more.

However, Taylor understood that especially with physical labor, rest was necessary. (Today we know that rest breaks are needed for all kinds of work.) Taylor wrote: "When a laborer is carrying a piece of pig iron weighing 92 pounds in his hands, it tires him about as much to stand still under the load as it does to walk with it, since his arm muscles are under the same severe tension whether he is moving or not." He further said: "It will also be clear that in all work of this kind it is necessary for the arms of the workman to be completely free from load (that is, for the workman to rest) at frequent intervals. Throughout the time that the man is under a heavy load the tissues of his arm muscles are in process of degeneration, and

frequent periods of rest are required in order that the blood may have a chance to restore these tissues to their normal condition.” Taylor referred to the fatigue that physical work generated as the law of heavy laboring. He explained: “Practically all such work consists of a heavy pull or a push on the man's arms, that is, the man's strength is exerted by either lifting or pushing something which he grasps in his hands. And the law is that for each given pull or push on the man's arms it is possible for the workman to be under load for only a definite percentage of the day. For example, when pig iron is being handled (each pig weighing 92 pounds), a first-class workman can only be under load 43% of the day. He must be entirely free from load during 57% of the day. And as the load becomes lighter, the percentage of the day under which the man can remain under load increases. Thus, if the workman is handling a half-pig, weighing 46 pounds, he can then be under load 58% of the day and only has to rest during 42%. As the weight grows lighter the man can remain under the load during a larger and larger percentage of the day, until finally a load is reached which he can carry in his hands all day long without being tired out.”

Here's Taylor's explanation of how rest breaks were actually used with the pig iron loaders: “Schmidt [the laborer, Henry Knolle] started to work, and all day long, and at regular intervals, was told by the man [one of Taylor's associates] who stood over him with a watch, ‘Now pick up a pig and walk. Now sit down and rest. Now walk—now rest,’ etc. He worked when he was told to work, and rested when he was told to rest, and at half-past five in the afternoon had his 47.5 tons loaded on the car.” Taylor further explained: “Practically the men were made to take a rest, generally by sitting down, after loading ten to twenty pigs. This rest was in addition to the time which it took them to walk back from the car to the pile. It is likely that many of those who are skeptical about the possibility of loading this amount of pig iron do not realize that while these men were walking back they were entirely free from load, and that therefore their muscles had, during that time, the opportunity for recuperation.”

Some academicians are critical of Taylor with respect to the short-term effects of rest breaks, pointing out that the pig iron laborers could only work at most for two or three consecutive days at these high levels (i.e., four times the normal workload) before having to take two or three days off to recover from the cumulative physical fatigue of this difficult job. However, under Taylor's plan the workers weren't penalized or exploited because of this. During the two or three days “off” from the high load/high payment plan, they simply moved a smaller number of pig irons under the regular pay plan under which they were guaranteed \$1.15 per day. It can be assumed that during these “off” days, the workers recovered from their heavier work days by only moving the typical 12.5 tons of pig iron per day. Furthermore, even though the physical demands of the work made it likely that most of the workers spent no more than half of their time on the high load/high payment plan, they were able to move so much more pig iron tonnage under that incentive plan (compared to the standard \$1.15 plan) that the overall average cost of handling a ton of pig iron dropped by slightly more than half, from \$0.072 to \$0.033 per ton. However, workers benefited as well, earning somewhere between 30% and 60% more money, depending on the percentage of days they worked under the high load/high payment plan and how much pig iron they were able to load on those days.

In the end, what can we take away from Taylor's pig iron experiments? This excerpt from a 1915 speech he made to the Cleveland Advertising Club can help us put them into the proper perspective:

Most people think scientific management is chiefly handling pig-iron. I do not know why (laughter). I do not know how they have gotten that impression, but a large part of the community has that impression. The reason I chose pig-iron for the first illustration [of scientific management] is that if you can prove to any one that the strength, the effort of those four principles when applied to such rudimentary work as that, the presumption is that it can be applied to something better. The only way to prove it is to start at the bottom and show these four principles all along the line.

Basically, Taylor's pig iron experiments were intended as a demonstration of the power of his four principles of scientific management, shown below.

- First:** Develop a science for each element of a man's work which replaces the old rule-of-thumb method.
- Second:** Scientifically select and then train, teach, and develop the workman, whereas in the past he chose his own work and trained himself as best he could.

- Third:** Heartily cooperate with the men so as to insure all of the work being done in accordance with the principles of the science which has been developed.
- Fourth:** There is an almost equal division of the work and the responsibility between the management and the workmen. The management takes over all the work for which they are better fitted than the workmen, while in the past almost all of the work and the greater part of the responsibility were thrown upon the men.

In short, if those principles could work extremely well in basic jobs, such as heavy manual labor, then what results might they produce with even more complex tasks and jobs? Taylor summarizes what we should learn as follows.

It is no single element, but rather this whole combination, that constitutes scientific management, which may be summarized as:

- Science, not rule of thumb.
- Harmony, not discord.
- Cooperation, not individualism.
- Maximum output, in place of restricted output.
- The development of each man to his greatest efficiency and prosperity.

Self-Assessment

DEALING WITH CONFLICT

This assessment is meant to give your students a more detailed perspective on how they each handle conflict. The inventory tool will measure tendencies in five areas: yielding, compromising, forcing, problem-solving, and avoiding. The research supporting this assessment can be found in C. K. W de Dreu, A. Evers, B. Beersma, E. S. Kluwer, and A. Nauta, “A Theory-Based Measure of Conflict Strategies in the Workplace,” *Journal of Organizational Behavior* 22 (2001) 645–668.

In-Class Use

Have students go to cengagebrain.com to access the Self-Assessment activity. Use the Self-Assessment PowerPoint slides and have students raise their hand as you read off the scoring ranges. Tell students to keep their hand up until you have counted the responses for each item and entered the count into the spreadsheet embedded in the PowerPoint presentation. Display the distribution to the class so students can see where they fit.

Scoring

Instructions for scoring the inventory follow the questionnaire itself, but students will want to know what the raw numbers mean. Here’s what you can tell them.

If you completed the inventory, you have generated five scores:

- (A) corresponds to a tendency to *yield* to the other party during a conflict.
- (B) corresponds to a student’s tendency to seek *compromise* as a resolution to a conflict.
- (C) indicates the extent to which you *force* your solution on the other party as a means to end conflict.
- (D) indicates how inclined you are to take a *problem-solving* approach to a conflict.
- And (E) indicates your predisposition to *avoid* conflict.

Higher scores for each subscale indicate that you have a greater tendency to want to use that means of conflict resolution. Likewise, looking at all subscales, your highest score of the five represents your primary method of responding to conflict, while the next highest score is your secondary method for responding to conflict.

De Dreu's study talks about these five strategies in terms of Dual Concern Theory. That is, concern for others and concern for self. In the diagram on the next page, high concern for self and low concern for the other leads to a forcing style, characterized by imposing one's own will on the other party. According to de Dreu's research, "Forcing involves threats and bluffs, persuasive arguments and positional commitments." In contrast, yielding connotes a high concern for the other and a low concern for self. People who prefer a yielding strategy will give unilateral concessions and offers of help. Low concern for self and others indicates preference toward an avoiding style of conflict management, which "involves reducing the importance of the issues, and attempts to suppress thinking about the issues. Conversely, high concern for both self and others is evidence of a preference for the problem-solving strategy, which "is oriented towards an agreement that satisfies both own and others' aspirations."

Some researchers have identified a middle point in the Dual Concern Theory as being compromise. Researchers, however, cannot agree that compromise is a distinct strategy. Some simply think of compromising as a half-hearted problem-solving strategy, but de Dreu's study results give further evidence of compromise as a separate and valid strategy for conflict resolution.

Management Decision

Purpose

The purpose of this case is for student groups to analyze a conflict between management and employees, and to find a solution that will satisfy both parties.

Setting It Up

You can introduce this case by, first, asking students "Is there a way for a company to cut jobs and costs without angering employees?" Then, ask students "What is the best way that employees can convince a company not to cut jobs?"

TOUGH LOVE?

The first job you had, on an auto-parts assembly line, was an absolute nightmare, mostly because of your boss. If you were literally one minute late for your shift, he docked you a half-hour of pay. If you weren't ten minutes early for every staff meeting, he would yell at you, in front of everyone else, for being late. If you took a sick day, he would call you three or four times a day to make sure you were bedridden at home. He once even called your doctor!

So when you became a manager at a software firm, you decided that you would never be that kind of boss. Even though there was much pressure to meet deadlines and quality standards, you always tried to make your place a relaxed atmosphere. You didn't set a dress code, you let your staff set their own hours, and you never even thought of yelling at them or calling them out in public.

Lately, though, you wonder whether maybe you've been a little too lax. Several employees have been showing up really late for work, or taking days and even weeks off with no advance notice. What's worse, they are giving really odd excuses for not showing up for work. One of your quality control engineers, who repeatedly showed up for work late, blamed his cat for hiding his car keys. One of his software engineers said that she couldn't show up for work for three days because she dyed her hair blond, and it looked "tragic." Even your Human Resources (HR) director got in on the act, saying that she had to have two weeks off because she broke up with her boyfriend and had to take a trip to Hawaii with another guy to deal with the pain.

Needless to say, you're getting frustrated, not only because your employees' absences are killing your productivity but also because you feel like they are treating you like a moron with their excuses. You want to find a way to bring some discipline back into your company, but you don't want to end up being authoritarian like your first boss.

Questions

1. How would you resolve the situation described in this scenario?

Student responses will vary.

What is an effective way for a manager to balance the need for supporting employee morale with the need for establishing discipline and authority?

The text discusses a number of managerial theories that have relevance for balancing managerial authority with employee morale. One concept to consider is bureaucratic management, which is defined as “the exercise of control on the basis of knowledge.” The aim of bureaucracy is not to protect authority but to achieve goals in the most efficient way possible. This like hiring, promotion, and punishment is based completely on experience and achievement. In bureaucratic management, a clear chain of command is established in an organization, so that employees know who they need to obey. However, they are also given access to a grievance process so that they know how and why rules are applied. Bureaucratic management also emphasizes the importance of applying rules and policies to everyone equally, and to record all decisions in writing. In short, bureaucratic management is a way to apply rules in the workplace, and communicate that it’s done so on the basis of what employees do, rather than personal feelings of manager.

Mary Parker Follett’s work on constructive conflict might also provide an answer for how a manager can approach employee discipline. Follett wrote that in a conflict, it may be easy for a manager to exercise domination by telling the employee what to do, or for both parties to compromise by giving up something. She recommends, however, that the best way to resolve a conflict is through integrative conflict resolution, in which both parties meet, indicate their preferences, and then work together to find an alternative that satisfies both. So in this case, for example, instead of heavy discipline or penalties, a manager might choose to meet with a recurrently late employee, communicate the importance of showing up on time, let the employee share honestly why he has trouble showing up on time, and then work for a mutually beneficial solution.

Students’ responses should also refer to the work of Chester Barnard on the acceptance of authority. Barnard maintained that it is more effective to induce workers’ willing cooperation through incentives, clearly formulated organizational objectives, and effective communication. Barnard argued that managers can gain others’ cooperation by completing three executive functions: securing essential services from individuals, formulating an organization’s purpose and objectives, and providing a system of communication. In other words, managers must find ways to encourage workers to cooperate with each other and management willingly. This can occur through material incentives like rewards or nonmaterial incentives like recognition. Managers should also make clear what needs to be accomplished. Simply put, they must communicate with employees what the organization’s goals and purposes are, and why it is important to those goals that they show up on time. Barnard writes that the acceptance of authority also depends on how workers perceive authority. Asking people to do things that run contrary to organizational purposes or their own benefits won’t work. Neither will violating an employee’s zone of indifference. So, in this case, a manager must make sure that the order to show up to work on time is all about organizational goals and productivity, rather than asking people what they do with their personal time.

Management Team Decision

Purpose

Every manager must make decisions on a daily basis. Sometimes it’s large-scale decisions like creating a new strategic plan to increase sales. At other times, it’s smaller-scale decisions like smoking policies, or as in the case here, an office dress code. In this case, students are asked to decide whether a company

should allow a casual dress code or require its employees to dress up. While it may not be a monumental decision on the scale of a new marketing strategy, it will have considerable effect on the morale and effectiveness of the employees.

Setting It Up

You can introduce this case to students by asking them to imagine a very formal workplace, one in which employees are given a dress code. What would be the pros and cons of such a workplace? Next, ask students to imagine a very informal workplace, with no dress code, or titles, or hierarchy. What would be the pros and cons of such a workplace?

RESOLVING CONFLICTS

As a manager with lots of experience in negotiations, you've experienced a lot of different conflicts. There was that one case where a worker argued that he should be allowed to smoke his (legally prescribed) marijuana at his desk. Another time, someone asked you to mediate between two executives who were having a strategic disagreement—one thought that the company should invest in tulip futures, while the other thought that pork bellies were the future. But even with all of this experience, you haven't seen a case like the one going on at a Mott's apple juice factory that you've been called in to consult on.

Mott's, a division of Dr. Pepper Snapple Group, employs 305 people at its juice factory in Williamson, N.Y., near Rochester. All 305 employees, however, have been on strike for more than 3 months. They are protesting the fact that the company wants to make severe cuts in pay and benefits—a reduction of wages by \$1.50 (about \$3,000 per year), a pension freeze, a reduction in 401K contributions, and a decrease in the health insurance subsidy.

On the surface, these cuts seem to make some business sense, because companies all over the world are struggling. But what is so unusual in this case is that Dr. Pepper Snapple Group is more profitable than it ever has been. In the last year, its net income was \$550 million, a dramatic improvement from the previous year, when it lost \$312 million. Because of this success, employees are accusing the company of being greedy. Stuart Applebaum, the president of the factory workers' union, says “[Dr. Pepper Snapple doesn't] even show the respect to lie to us. They just came in and said, ‘We have no financial need for this, but we just want it anyway because we figure we can get away with it.’”

The company, meanwhile, defends the pay and benefits cut by arguing that its current labor costs are considerably higher than other local companies. The average pay at the Mott's plant is \$21, whereas other factories and transportation companies in the area pay closer to \$14. In a public statement, the company defends the move, saying in part, “As a public company, Dr. Pepper Snapple Group has a fiduciary responsibility to operate in the best interests of all its constituents, recognizing that a profitable business attracts investment, generates jobs and builds communities.”

You have been assigned to a task force with representatives from management and labor that has been charged with resolving the crisis. As all of you review the files, you realize this is a critical case; if the employees lose, other companies might be motivated to take similar actions and cut labor costs (and increase profits) even when they are not struggling financially.

For this Management Team Decision, form a group of three or four with other students, to act as the task force, and answer the following questions.

Source:

Steven Greenhouse “In Mott's Strike, More than Pay at Stake” *The New York Times*, August 17, 2010, accessed October 10, 2010, from

www.nytimes.com/2010/08/18/business/18motts.html?_r=1&adxnml=1&adxnmlx=1297947774-W3u9XoLkFQ6q+a7OmuVx1A.

Questions

1. How could you help steer negotiations between labor and management so that the conflict between them is healthy and productive? Is that even possible?

Rather than one side looking for domination, or for both parties to lose something by compromising, Mary Parker Follett wrote that they should pursue integrative conflict resolution.

In this process, both parties in the conflict indicate their preferences and then work together to find an alternative that meets the needs of both. In the case of the Mott's factory, the company wants to establish some costs control, while the employees reasonable salaries, benefits, and assurance that their jobs will be safe. Rather than solving the problem by giving one party (or the other) all that it wants, integrative conflict resolution can be used so that the parties reach a third alternative.

2. Is the company justified in trying to cut costs even when it has made a huge profit? Are the employees justified in not working to protest what they perceive as unfair cuts?

Students' responses will vary. Likely, some will side with the company, reasoning that a company has the right to use its resources as it so chooses. On the other hand, some groups will argue that companies have a certain responsibility to its employees.

Practice Being a Manager

OBSERVING HISTORY TODAY

The topic of management history may sound like old news, but many of the issues and problems addressed by Max Weber, Chester Barnard, and other management theorists still challenge managers today. *How can we structure an organization for maximum efficiency and just treatment of individuals? What is the basis for, and limits to, authority in organizations?* It is rather amazing that these thinkers of the late 19th and early 20th centuries generated such a wealth of theory that still influences our discussion of management and leadership challenges in the 21st century. This exercise will give you the opportunity to draw upon some ideas that trace their roots back to the pioneers of management thinking.

Preparing in Advance for Class Discussion

Step 1: Find an observation point. Identify a place where you can unobtrusively observe a group of people as they go about their work. You might select a coffee shop, bookstore, or restaurant.

Step 2: Settle in and observe. Go to your selected workplace and observe the people working there for at least 20 minutes. You should take along something like a notebook or PDA so that you can jot down a few notes. It is a good idea to go during a busy time, so long as it is not so crowded that you will be unable to easily observe the workers.

Step 3: Observe employees at work. Observe the process of work and the interaction among the employees. Consider some of the following issues:

- Identify the steps that employees follow in completing a work cycle (e.g., from taking an order to delivering a product). Can you see improvements that might be made, particularly steps that might be eliminated or streamlined?
- Observe the interaction and mood of the workers. Are they stressed? Or are they more relaxed? Does it seem to you that these workers like working with each other?
- Listen for signs of conflict. If you see signs of conflict, is the conflict resolved? If so, how did the workers resolve their conflict? If not, do you think that these workers suppress (bottle up) conflict?
- Can you tell who is in charge here? If so, how do the other workers respond to this person's directions? If not, how does the work group sort out who should be doing each task, and in what order?

Step 4: Consider what you saw. Immediately after your observation session, look through this chapter on management history for connections to your observations. For example, do you see any signs of the "Hawthorne Effect"? Would Fredrick Taylor approve of the work process you observed, or might he have

suggested improvements? What might Chester Barnard's theory have to say about how the workers you observed responded to instructions from their "boss"? Write a one-page paper of bullet-point notes describing possible connections between your observations and the thinking of management pioneers such as Mary Parker Follett.

Class Discussion

Step 5: Share your findings as a class. Discuss the various points of connection you found between pioneering management thinkers and your own observations of people at work. Are some of the issues of management "timeless"? If so, what do you see as timeless issues of management? What are some ways in which work and management *have changed* since the days of the management pioneers?

TEACHING NOTES—PRACTICE BEING A MANAGER

Exercise Overview and Objective

In this exercise, students will spend some time (20 minutes minimum) observing people at work. The objective of this exercise is for students to see—in a live context—the problems and challenges that interested management thinkers of the past. One of the most basic starting points for understanding the field of management is simply to observe *people at work*. Observation was the starting place for such pioneers as Fredrick Taylor, Charles Barnard, and Max Weber. And it is the starting place for many of today's most influential management scholars. Also, this exercise should help students understand that historical contributions were made by pioneering individuals who wrestled with questions and issues that continue to challenge management thinkers today.

Assign Step 1 at least one class session prior to the session in which you would like to complete this exercise. You may want to allow more time, as the observation requires students to identify an appropriate site and unobtrusively observe work there for at least 20 minutes. You may want to explain "unobtrusive." Students should be able to naturally observe the work at this site for at least 20 minutes without drawing attention to themselves or otherwise changing the natural flow of work. Some good examples are given in the instructions to Step 1:

- Coffee Shop
- Bookstore
- Restaurant

These worksites are places where patrons commonly hang out and enjoy a latte or browse the bookshelves. You may want to caution students not to attempt to spy on anyone and/or to misrepresent themselves to a security guard, manager, etc. It is ethical to observe work/workers in public spaces but a serious ethical violation to spy on workers in private spaces and/or to misrepresent one's intentions. Students may want to number or otherwise identify workers (e.g., Worker 1, Manager, and Worker 2). Students should use a shorthand (e.g., W-2 for Worker 2) to ease note taking. Discourage students from using real names or other means of personal identification and from recording anything of a sensitive/private nature. Instead of capturing the word-by-word dialogue of two workers gossiping about a third worker, simply record "W-1 and W-2 in private conversation for 3 minutes."

Announce that students should read the bullet items in Step 3 before they arrive at their place of observation. This will help them to know what they are watching for and also to better organize their observation notes. Finally, remind student that Step 2 instructs them to take along whatever they need to take notes (e.g., notepad, PDA).

The one-page paper (see Step 4) should be completed as soon after the observations as possible. It is best if students plan to write this paper immediately after their observations.

In-Class Use

Class discussion should follow the submission of the papers. Some instructors prefer to read the papers and discuss them in a subsequent session. Other instructors prefer to discuss the findings on the day the papers are submitted. Either approach is fine here, so long as the time lag between student observations and class discussion is kept to a minimum.

The class discussion may proceed in a linear fashion through the major sections of the chapter, with discussion of connections to the student observations by section. Alternatively, you may want to lead a nonlinear discussion of students' observations/connections. In either case, discussion should aim to:

- Share the experience of observing people at work—what might observation contribute to our understanding (vs., say, reading about a particular workplace)?
- Identify at least a few of the timeless themes in management study. (See the questions in Step 4 of the exercise related to the Hawthorne Effect, Chester Barnard's theory on acceptance of authority, etc.)
- Identify at least a few of the ways in which work and management may have changed since the era when studied by the pioneers in management thought (e.g., shifts in communication driven by email, computer networks).

Develop Your Career Potential

Purpose

This assignment is designed to encourage students to begin tracking management trends and theories on a daily basis. As patterns emerge, students will better be able to anticipate shifts in management ideas prompted by changes in the complex general and specific environments.

Organizing the Discussion

Students are given three activities: finding a press article that discusses some of the topics covered in the book (all chapters), writing a brief summary of that article and researching unfamiliar terms, and situating the material in the context of the history presented in Chapter 2 (if possible).

One way to use this activity in class starts by having each student give a single-sentence description of his or her article and identify the periodical in which it was published and the date. Doing this, students will be able to listen for recurring themes and think about them in a temporal fashion. Then, write or project the table of contents on the board. Ask students to raise their hand when you call out a chapter to which they think their article relates. Students may raise their hand more than once, depending on the article they read. Alternatively, after students give their brief summaries, you can simply indicate which chapters seem to be more frequently represented. Divide the students into groups based on the chapters to which their articles most closely relate. In small groups, have each student share his or her brief summary and how each thinks the subject of the article relates to the management theories presented in the chapter. Ask each group to think about implications of the articles or conclusions they can draw about how their topic is evolving in the real world. For example, if a group of students chose articles on teams and teamwork, can it draw any conclusions about challenges (or lack thereof) companies seem to be facing when implementing teams?

Another way to organize the discussion is to ask students about the connections they made between management history and current management news. Ask if, based on their article, they think historical management theories are relevant for today's workforce. If they answer yes, have them say why. If they answer no, ask them to explain why not.

Remind students that most business periodicals have sections related to management. The *Wall Street Journal* has features titled "Cubicle Corner," "In the Jungle," "Work and Family," and others that focus on management issues. *Fortune* has regular features like "Ask Annie," and *Fast Company* includes a column called "Corporate Shrink" and an interview with a manager called "What I Know Now."

KNOW WHERE MANAGEMENT IS GOING

As you read in the chapter, management theories are dynamic. In other words, they change over time, sometimes very rapidly. In addition, management theories have often been cumulative, meaning that later theorists tend to build on theories previously advanced by other scholars. Thus, a new theory becomes the starting point for yet another theory that can either refine or refute the management thinking of the day. One way to prepare for your career as a manager is by becoming aware of management trends today. The

best (and easiest) way to do that is by regularly combing through business newspapers and periodicals. You will always find at least one article that relates to management concepts, and as you scan the business press over time, you will see which theories are influencing current management thinking the most. By understanding management history and management today, you will be better able to anticipate changes to management ideas in the future. This exercise is designed to introduce you to the business press and to help you make the connection between the concepts you learn in the classroom and real-world management activities. Done regularly, it will provide you with invaluable insights into business activities at all types of organizations around the world.

Activities

1. Find a current article of substance in the business press (for example, the *Wall Street Journal*, the *Financial Times*, *Fortune*, *BusinessWeek*, *Inc.*) that discusses topics covered in this course. Although this is only Chapter 2, you will be surprised by the amount of terminology you have already learned. If you are having trouble finding an article, read through the table of contents on pages iv–viii to familiarize yourself with the names of concepts that will be presented later in the term. Read your article carefully, making notes about relevant content.
2. Write a one-paragraph summary of the key points in your article. List the terms or concepts critical to understanding the article, and provide definitions of those terms. If you are unfamiliar with a term or concept that is central to the article, do some research in your textbook or see your professor during office hours. Relate these key points to the concepts in your text by citing page numbers.
3. How does your article relate to the management theories covered in this chapter? Explain the situation detailed in your article in terms of the history of management.

Reel to Real Video Assignment: Biz Flix

Because they are so short, the Biz Flix videos are best used to supplement your lesson plans. They are designed to illustrate the content rather than convey all of the chapter concepts.

Video: *Casino*

Segment Summary

In *Casino*, ambition, greed, drugs, and sex ultimately destroy the mob's gambling empire. The film includes a memorable performance by Robert De Niro as Sam Rothstein. This scene, which comes from the beginning of the sequence titled "The Truth about Las Vegas," opens the film and establishes important background information about casino operations. Listen carefully to Rothstein's voice-over as he describes the casino's operation and explains how it tries to reach its goals.

Discussion Questions from Prepcard

1. Do you think the casino owners make discipline (clearly defined rules and procedures) a high priority in the way they run their business? Why?

Most students will agree that discipline is important for casino owners. The casino industry follows an intricate control system where the organizational hierarchy is clearly defined. For the casino industry, lack of discipline will result in reduced vigilance. This in turn could result in a significant financial loss. To ensure against lack of discipline among casino workers, the owners have installed surveillance cameras. One can be sure that disciplinary actions will be taken against casino workers in the event that a worker did not fulfill his or her duties. As a result, each casino worker has a clearly defined set of roles and is expected to follow through on them.

2. Mary Parker Follett believed that managers could deal with conflict in three ways: domination, compromise, and integration. Which of these is most likely employed by the casino management in this film?

Due to the nature of the business, casino managers are most likely to use domination to deal with conflict. In the event that a customer is caught cheating, one would expect that domination, where one side wins and the other loses, would be used to expel the cheater. Integration tactics may also be used to find a solution in which both parties find a place and neither has to sacrifice. For example, when the casino is investigating fraud, managers may bring employees together to identify ways it could have avoided the situation. Compromise, which occurs when each side gives up some of what it wants, would be a tactic used when the person involved in the conflict is in a powerful position. For example, when the mafia was involved in a conflict, casino owners found that it was in their best interest to compromise.

3. In this clip, how important is employee order (having a place for everyone and having everyone in their place)?

Employee order is very important in the casino business based on this clip. Casino workers must know who to watch, where to be, and how to handle conflict at all times. Without order, a casino could stand to lose a great deal of money in a short amount of time. Some students may argue that the mafia presence in Las Vegas was successful in disrupting the order that was needed to successfully operate the business.

Additional Discussion Questions

1. Which of Max Weber's elements of bureaucratic organizations are most prevalent in the casino industry based on this video clip?

The four management elements that are most prevalent in this video are chain of command, division of labor, recorded in writing, and managers separate from owners. The film narrator gives a detailed description of the chain of command from the dealer to the casino manager. The roles of managers are quite different from those of the owner, and each role within the hierarchy is expected to accomplish certain tasks. Casinos "record" activities through strategic placement of surveillance cameras. Although the video clip does not illustrate qualification-based hiring, merit-based promotion, and impartial application of rules, examples of these can be found throughout the rest of the film.

Biz Flix Video Quiz

1. As described in the movie clip, the casino uses ex-cheaters, who know a variety of tricks, to catch other cheaters. This act of exercising control on the basis of knowledge is known as:
 - a. insider knowledge
 - b. entrapment
 - c. bureaucracy
 - d. stakeout
 - e. spying

ANS: c

2. According to the concepts of bureaucratic management, the casino should hire security personnel based on their:
 - a. family connections
 - b. training or education
 - c. personal loyalty
 - d. political beliefs
 - e. heredity

ANS: b

3. The casino's security personnel are organized in a hierarchy, in which dealers are supervised by pit bosses, who are supervised by floor bosses, and so on. This hierarchy is an example of:
 - a. division of labor
 - b. empowerment
 - c. decentralization
 - d. centralization
 - e. chain of command

ANS: e

Reel to Real Video Assignment: 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 2 would be a nice companion to your introduction to the course on the first day teaching this chapter.

Video: Barcelona Restaurant Group

The Evolution of Management Thinking

Summary:

Andy Pforzheimer is himself a renowned chef and the co-owner of Barcelona Restaurant Group, a collection of seven wine and tapas bars in Connecticut and Atlanta, Georgia. When customers dine at any of Pforzheimer's restaurants, they experience the local color and personal touch of a neighborhood eatery. The wait staff is personable and strives to get to know customers' tastes. Delivering this unique dining experience requires a unique approach to management. The company gives employees the freedom and control they need to impress customers. It recruits self-confident individuals who can take ownership over the establishment and its success. Further, Pforzheimer is adamant that his staff be mature and willing to take responsibility for their work and success.

Discussion Questions from Prepcard:

1. What aspects of restaurant work are especially challenging to wait staff, and how does Barcelona's approach to management help employees overcome the downsides of the job?

In the video, Andy Pforzheimer identifies the challenging aspects of restaurant life: "It is work sometimes to smile. It is work to have somebody yelling at you because they weren't seated fast enough or their steak was cooked wrong, and you must pat them on the back and say, 'You know, it was our fault, I'll do everything I can'—yeah, that's work, and it's not always fun."

Barcelona's leadership team believes such challenging aspects of restaurant work can be managed best when employees are given significant responsibility over the restaurant and its success. New hires learn at the outset that the restaurant is their responsibility, and if the place does well, the members of the wait staff get all the credit.

2. What steps do the leaders of Barcelona Restaurant Group take to insure cooperation and acceptance of authority from their employees?

Andy Pforzheimer says that he accepts other's opinions, wants managers to communicate with him at all times, and wants to hire people who are self-starting. He allows people in his company to use their creativity to come up with innovative solutions. Rather than telling people what to do and how to do it, the leadership at Barcelona expects all employees to make their own decisions about what they think will be the best for the company and best for the customer. Pforzheimer also insures cooperation and acceptance of authority by setting clear goals and standards. At Barcelona, everything is about

customer satisfaction, and achievement is defined as giving the customer a great dining experience. Whatever authority Pforzheimer exercises over employees is centered on that goal.

3. Would the management style of Barcelona Restaurant Group best be described as scientific management or contingency management?

The leadership at Barcelona is looking for people who are comfortable taking ownership. The leaders want people who can make their own decisions instead of having to be told how to do everything. In this way, Barcelona aims to be the opposite of other restaurants, in which every procedure and action is regulated. Barcelona employees are empowered to make guests happy, and the leadership of the company puts a high degree of emphasis on the contributions that everyone can make. In this way, Barcelona reflects the contingency approach to management, which clearly states that there are no universal management theories and that the most effective management theory or idea depends on the kinds of problems or situations that managers or organizations are facing at a particular time. In short, the best way depends on the situation.

Workplace Video Quiz

Video Segment 1

*Video segment title	Evolution of Management Thought
*Start time (in sec)	0:00
*Stop time (in sec)	4:44
*Quiz Question 1	The leaders of Barcelona Restaurant group believe that success depends on employees who are self-starting, confident, willing, and empowered. This idea is most associated with:
*Option a	Scientific Management
*Option b	Gantt Charts
Option c	Constructive Conflict and Coordination
Option d	W. Edwards Deming's quality management
*Correct option	c: constructive conflict and coordination
*Feedback for option a	Incorrect. According to Mary Parker Follett, who pioneered the idea of constructive conflict and coordination, a leader's power should be thought of as "with" rather than "over." In her view, leadership involves setting the tone for the team rather than being aggressive or dominating.
*Feedback for option b	Incorrect. According to Mary Parker Follett, who pioneered the idea of constructive conflict and coordination, a leader's power should be thought of as "with" rather than "over." In her view, leadership involves setting the tone for the team rather than being aggressive or dominating.
Feedback for option c	Correct. According to Mary Parker Follett, who pioneered the idea of constructive conflict and coordination, a leader's power should be thought of as "with" rather than "over." In her view, leadership involves setting the tone for the team rather than being aggressive or dominating.
Feedback for option d	Incorrect. According to Mary Parker Follett, who pioneered the idea of constructive conflict and coordination, a leader's power should be thought of as "with" rather than "over." In her view, leadership involves setting the tone for the team rather than being aggressive or dominating.

*Quiz Question 2	Barcelona owner Andy Pforzheimer states that many restaurant companies create highly regulated work rules that control nearly every aspect of employee behavior in order to find the most efficient way to do a job. This management approach is characteristic of:
*Option a	Scientific management
*Option b	Systems perspective on management
Option c	Contingency perspective on management
Option d	Behavioral perspective on management
*Correct option	a: Scientific management
*Feedback for option a	Correct. Scientific management involves thorough study and testing of different work methods to identify the most efficient way to do a job.
*Feedback for option b	Incorrect. Scientific management involves thorough study and testing of different work methods to identify the most efficient way to do a job.
Feedback for option c	Incorrect. Scientific management involves thorough study and testing of different work methods to identify the most efficient way to do a job.
Feedback for option d	Incorrect. Scientific management involves thorough study and testing of different work methods to identify the most efficient way to do a job.

Quiz Question 3	Leaders at Barcelona Restaurant believe that employees can achieve organizational goals through a variety of different approaches, tasks, and decisions, based on the situation. This is consistent with:
Option a	Classical and universalist perspectives on management
Option b	Systems perspective on management
Option c	Contingency perspective on management
Option d	Behavioral perspective on management
Correct option	c: Contingency perspective on management
Feedback for option a	Incorrect. The contingency approach to management holds that there are no universal management theories.
Feedback for option b	Incorrect. The contingency approach to management holds that there are no universal management theories.
Feedback for option c	Correct. The contingency approach to management holds that there are no universal management theories.
Feedback for option d	Incorrect. The contingency approach to management holds that there are no universal management theories.

Video Segment 2

*Video segment title	Evolution of Management Thought
*Start time (in sec)	4:45
*Stop time (in sec)	6:50

*Quiz Question 1	When Barcelona owner Andy Pforzheimer rejects management philosophies that stress employee social relations and employee
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	happiness, he is refuting ideas championed by:
*Option a	The human relations movement
*Option b	Scientific management
Option c	Management science
Option d	Total quality management
*Correct option	a: The human relations movement
*Feedback for option a	Correct. Human relations management focuses on people and the psychological and social aspects of work.
*Feedback for option b	Incorrect. Human relations management focuses on people and the psychological and social aspects of work.
Feedback for option c	Incorrect. Human relations management focuses on people and the psychological and social aspects of work.
Feedback for option d	Incorrect. Human relations management focuses on people and the psychological and social aspects of work.
*Quiz Question 2	Scott Lawton says that job satisfaction at Barcelona comes from all the following sources except:
*Option a	Performing satisfying tasks
*Option b	Serving customers well
Option c	Being empowered by leaders
Option d	Earning financial rewards
*Correct option	d: Earning financial rewards
*Feedback for option a	Incorrect. As Lawton states, there are better ways to make money than to be in the restaurant business.
*Feedback for option b	Incorrect. As Lawton states, there are better ways to make money than to be in the restaurant business.
Feedback for option c	Incorrect. As Lawton states, there are better ways to make money than to be in the restaurant business.
Feedback for option d	Correct. As Lawton states, there are better ways to make money than to be in the restaurant business.
Quiz Question 3	Barcelona's leaders borrow ideas and tactics from multiple historical approaches to management. This is typical of:
Option a	Classical management approaches
Option b	Contingency management
Option c	Theory X
Option d	Fayol's principles of management
Correct option	b: contingency management
Feedback for option a	Incorrect. The contingency approach to management holds that there are no universal management theories.
Feedback for option b	Correct. The contingency approach to management holds that there are no universal management theories.
Feedback for option c	Incorrect. The contingency approach to management holds that there are no universal management theories.
Feedback for option d	Incorrect. The contingency approach to management holds that there are no universal management theories.

Review Questions

1. Why do modern companies need managers?

Different from cottage industries and craftsmen, modern companies employ thousands of workers (unskilled, skilled, and professional) who produce both standardized and customized products and services. As a result, managers are needed to impose order and structure, to motivate and direct these large groups of workers, and to plan and make decisions that optimize overall company performance by effectively coordinating the different parts of complex organizational systems.

2. How are historical management ideas and practices related to the topics you will study in this textbook?

Each management theorist presented in Chapter 2 has left his or her imprint on modern management study. Therefore, throughout this book, you will experience the extensions of many of their theories. Henri Fayol's classic management functions—distilled down to planning, organizing, leading, and controlling—provide the underlying architecture for the contents of the book. Frederick Taylor's scientific management theories have implications for issues of job design and specialization covered in Chapter 9, teamwork covered in Chapter 10, and compensation covered in Chapter 11. Henry Gantt's contributions are evoked in Chapter 6 on planning and decision making, and Mary Parker Follett's work resurfaces in Chapter 5 in the section on group decision making and managing conflict, and in Chapter 10 on teams. Elton Mayo's work informs Chapter 10 on managing teams, and Chester Barnard's theories can be seen in Chapter 9 on designing organizational structures. Systems management is covered in Chapter 5, information management in Chapter 17, and operations management in Chapter 18.

As you can see, the early management theories are still providing a foundation on which the modern study of management is being built.

3. Explain the contributions of Taylor, the Gilbreths, and Gantt to the theory of scientific management.

In contrast to seat-of-the-pants management, scientific management recommended studying and testing different work methods to identify the best, most efficient ways to complete a job. According to Frederick W. Taylor, the father of scientific management, managers should follow four scientific management principles to find “one best way” to do it. First, “develop a science” by studying each element of work to determine the one best way for each element. Second, scientifically select, train, teach, and develop workers to reach their full potential. Third, cooperate with employees to ensure implementation of the scientific principles. Fourth, divide the work and the responsibility equally between management and workers. Above all, Taylor felt these principles could be used to align managers and employees to determine “a fair day's work,” what an average worker could produce at a reasonable pace. Once that was determined, it was management's responsibility to pay workers fairly for that effort. Taylor believed incentives were one of the best ways to align management and employees.

The husband and wife team of Frank and Lillian Gilbreth are best known for their use of motion studies to simplify work. While Taylor used time study and how long it took a “first-class man” to complete each part of his job to determine “a fair day's work,” the Gilbreths used film cameras and microchronometers to conduct motion study to improve efficiency by categorizing and eliminating unnecessary or repetitive motions. Lillian Gilbreth, one of the first contributors to industrial psychology, established ways to improve office communication, incentive programs, job satisfaction, and management training. Her work also convinced the government to enact laws regarding workplace safety, ergonomics, and child labor.

Henry Gantt is best known for the Gantt chart, which graphically displays when a series of tasks must be completed to perform a job or project, but he also developed ideas regarding pay-for-performance plans (where workers were rewarded for achieving higher levels, but not punished if they didn't) and worker training (all workers should be trained and their managers should be rewarded for training them).

4. Compare bureaucratic and administrative management.

German sociologist Max Weber is credited with the development of bureaucracy and bureaucratic management theories. That is, running organizations on the basis of knowledge, fairness, and logical rules and procedures rather than on the basis of nepotism, the prospects for personal gain, and arbitrary decision making. Bureaucracies are characterized by seven elements: qualification-based hiring; merit-based promotion; chain of command; division of labor; impartial application of rules and procedures; all administrative decisions, acts, rules, or procedures are recorded in writing; and managers are separate from owners. Nonetheless, bureaucracies are often inefficient and can be highly resistant to change.

Administrative management was the brainchild of Frenchman Henri Fayol, who argued that the success of an organization depended more on the administrative ability of its leaders than on their technical ability. Out of that postulate, Fayol developed 5 management functions (planning, organizing, coordinating, commanding, and controlling) and 14 principles of management (division of work, authority and responsibility, discipline, unity of command, unity of direction, subordination of individual interests to the general interest, remuneration, centralization, scalar chain, order, equity, stability of tenure of personnel, initiative, and esprit de corps). He is also known for his belief that management could and should be taught to others.

5. Explain the principles of Mary Parker Follett's human resource management.

Unlike most people who view conflict as bad, Mary Parker Follett, the mother of modern management, believed that conflict could be beneficial, that it should be embraced and not avoided, and that, of the three ways of dealing with conflict (domination, compromise, and integration), the latter was the best because it focuses on developing creative methods for meeting conflicting parties' desires. Follett also used four principles to emphasize the importance of coordination where leaders and workers at different levels and in different parts of the organization directly coordinate their efforts to solve problems and produce the best overall outcomes in an integrative way. Her work added significantly to modern understandings of the human, social, and psychological sides of management.

6. What lessons did we learn from the Hawthorne studies? Summarize Barnard's contributions on cooperation and acceptance of authority.

The Hawthorne Studies conducted at the Western Electric Company occurred in several stages. In the first stage of the Hawthorne Studies, production went up because the amount and quality of attention paid to the workers in the study and their development into a cohesive work group led to significantly higher levels of job satisfaction and productivity. In the second stage, productivity dropped because the workers been an existing work group for some time and had already developed strong negative norms, in which individual rate busters who worked faster than the rest of the team were ostracized or "binged" (hit on the arm) until they slowed their work pace. The Hawthorne Studies demonstrated that workers were not just extensions of machines (workers' feelings and attitudes affected their work), that financial incentives weren't necessarily the most important motivator for workers, and that group norms and behavior play a critical role in behavior at work.

Chester Barnard emphasized the critical importance of willing cooperation in organizations, noting that most managerial requests or directives will be accepted because they fall within the zone of indifference. Ultimately, he says, workers grant managers their authority, not the other way around.

7. Discuss the contributions of Whitney and Monge to operations management.

Operations management uses a quantitative or mathematical approach to find ways to increase productivity, improve quality, and manage or reduce costly inventories. Eli Whitney invented the concept of interchangeable parts, which ultimately led to companies being able to standardize products and produce them in mass quantities. Efficient standardization, however, would not have been possible without the contributions of Gaspard Monge, who developed and outlined techniques for proportional rendering of three-dimensional objects. Monge's drafting techniques are the

foundation of modern CAD (computer-aided drafting) and CAM (computer-aided manufacturing capabilities).

8. How do companies use systems management to make sense of organizational and environmental complexity?

Organizational systems obtain inputs from the general and specific environments. Rather than viewing one part of an organization as separate from the other parts, a systems approach encourages managers to look for connections between the different parts of the organization. The systems approach also forces managers and workers to view their organization as part of and subject to the competitive, economic, social, technological, and legal/regulatory forces in their environment. Managers then use knowledge gained from those understandings to create products and services, which are then consumed by persons or organizations in the environment. Then, those consumers provide feedback to the organization, allowing managers and workers to modify and improve their products or services.

9. Identify the major milestones in the history of managing information.

Historically, some of the most important technologies that have revolutionized information management were the use of horses by post messengers in Italy in the 1400s, the creation of paper and the printing press in the 14th and 15th centuries, the manual typewriter in 1850, the telegraph in the 1860s, cash registers in 1879, the telephone in the 1880s, the personal computer in the 1980s, and the Internet in the 1990s.

10. Explain contingency management.

The contingency approach to management clearly states that there are no universal management theories and that the most effective management theory or idea depends on the kinds of problems or situations that managers or organizations are facing at a particular time. This type of management is much harder than it looks and because managers must look for key contingencies that differentiate today's situation or problems from yesterday's situation or problems by spending more time analyzing problems and situations before they take action to fix them.

Additional Activities and Assignments

“Management Who’s Who.” Many business college students are no doubt aware that business colleges are named after historical figures. Joseph Wharton (University of Pennsylvania) and Alfred Sloan (Massachusetts Institute of Technology) may be well known, but who was Amos Tuck (Dartmouth), M. J. Neeley (Texas Christian), Max M. Fisher (Ohio State) or McDonough (Georgetown) or Cox (Southern Methodist)? Use the Internet to locate a recent ranking of business colleges. Pick ten schools that are not named for their institution (like Columbia School of Business and Harvard Business School). Continue to use the Internet to find out who the colleges are named for and those persons' contribution to business, management, or business education.

“Explore Project Management Software.” Go to the website for Microsoft Project at <http://www.microsoft.com/project/en/us/default.aspx> and investigate some of the features of the software. If a free trial is available, consider downloading it to manage your individual and group projects for this semester. Does the software seem easy to navigate? Consider researching competing project management software to find out what users and technology specialists are saying about the various programs.

“Bureaucratic Management.” The word “*bureaucracy*” conjures up a host of word associations, and some have interesting histories. Use the Internet to find the origins of the following terms: red tape, Peter principle, and Parkinson’s Law. Do any of them relate to management, or are they all sociological in nature?

“Information Management.” Go to the website of *CIO* magazine at <http://www.cio.com> and peruse the current issue. What topics are covered? Why do you think they are of interest to chief information officers? Read a sampling of articles to see what direction information management is taking today.

“Cheaper by the Dozen.” Ask students to read the first three chapters of *Cheaper by the Dozen*, written by Frank Gilbreth, Jr. and his sister Ernestine Gilbreth Carey about their parents, specifically their father Frank Gilbreth. Ask them to respond to the following questions: What management theories are described in the book? How did the Gilbreths apply their theories in their family situation? How did their family situation inspire new management ideas?