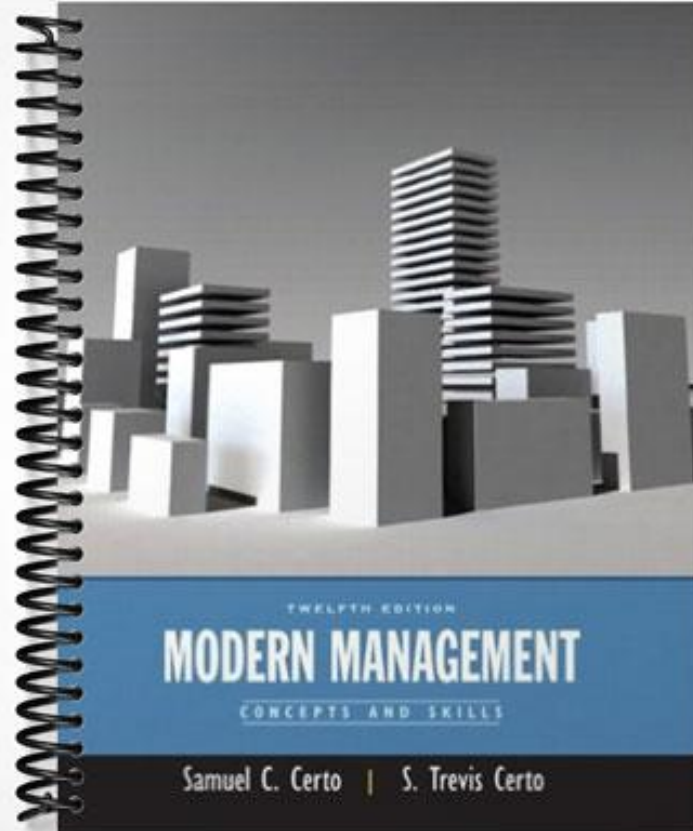


SOLUTIONS MANUAL



TWELFTH EDITION

MODERN MANAGEMENT

CONCEPTS AND SKILLS

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CHAPTER 2

Managing: History and Current Thinking

CHAPTER SUMMARY

This chapter discusses six approaches to management situations and to solving organizational problems.

The first one discussed is the Classical approach to management. This approach deals with lower-level management analysis, such as was done by Frederick W. Taylor, Frank and Lillian Gilbreth, and Henry L. Gantt. It also is concerned with a comprehensive analysis of management as a whole, as exemplified by Henri Fayol.

Because the human factor was not adequately emphasized in the classical approach, the Behavioral approach to management was developed. This approach began with the experiments at the Hawthorne Works of Western Electric. This method emphasizes people.

The third approach is the Management Science approach to management, which involves using the scientific method and mathematics to solve operational problems. This method began in World War II. The approach is widely used today, especially by very large, complex organizations.

The Contingency approach to management emphasizes that what managers do in practice is dependent on a given set of circumstances. The approach is based on the premise that there is probably no one best way to solve a management problem in all organizations, but there is probably one best way to solve any given managerial problem in a specific organization.

The fifth approach to management is the Systems approach. This approach is based on the theory that to understand fully the operation of an entity, the entity must be viewed as a system. There are two basic systems in management: closed systems and open systems. The effect of environmental factors on the management system cannot be over-emphasized. Managers can use triangular management to get the information they need about their environments.

The sixth approach to management is the Learning Organization approach. A learning organization is an organization that does well in creating, acquiring, and transferring knowledge, and in modifying behavior to reflect new knowledge.

LEARNING OBJECTIVES

1. An understanding of the classical approach to management
2. An appreciation for the work of Frederick W. Taylor, Frank and Lillian Gilbreth, Henry L. Gantt, and Henri Fayol

3. An understanding of the behavioral approach to management
4. An understanding of the studies at the Hawthorne Works and the human relations movement
5. An understanding of the management science approach to management
6. An understanding of how the management science approach has evolved
7. An understanding of the system approach to management
8. Knowledge about the learning organization approach to management
9. An understanding of how triangular management and the contingency approach to management are related

Target Skill: comprehensive management skill: the ability to collectively apply concepts from various major management approaches to perform a manager's job

CHALLENGE CASE: HANDLING COMPETITORS AT BURGER KING

This case illustrates many different comprehensive management skill challenges that management at Burger King must strive to meet. For Burger King to be successful, management must collectively apply insights from the classical, behavioral, management science, contingency, systems, and learning organization approaches to managing. The remaining material in this chapter explains these approaches and helps students develop their comprehensive management skill. After studying chapter concepts, read the Challenge Case Summary at the end of the chapter to gain insights about using comprehensive management skills at Burger King.

“See all related teaching notes for Challenge Case in the Management Skill Activities”

EXPLORING YOUR MANAGEMENT SKILL: PART 1

CHAPTER OUTLINE

- I. INTRODUCTORY CASE: “MANAGEMENT CHALLENGES AT BURGER KING”
- II. THE CLASSICAL APPROACH
 - A. Emphasizes increase in organizational efficiency to increase production.

- B. Lower-Level Management Analysis
 - 1. Scientific management emphasizes the “one best way.”
 - 2. Frederick W. Taylor (1856 - 1915)
 - a. Called the “father” of scientific management
 - b. His primary goal was to increase worker efficiency by scientifically designing jobs.
 - c. Work at Bethlehem Steel
 - 1. At Bethlehem Steel he constructed the “science of shoveling.” He matched the shovel to the size of the worker.
 - 3. Frank Gilbreth (1868 - 1924), Lillian Gilbreth (1878 - 1972)
 - a. Significant contributors to the scientific method
 - b. Primary investigative tool in their research was motion study (reducing each job to the most basic movement possible)
 - 4. Henry L. Gantt (1861 - 1919)
 - a. Scheduling Innovation
 - 1. The Gantt chart
 - b. Rewarding Innovation
 - 1. Gantt believed that worker compensation needed to correspond not only to production through the piece-rate system, but also to overproduction through the bonus system.
- B. Comprehensive Analysis of Management
 - 1. Emphasizes the entire range of managerial performance
 - 2. Henri Fayol (1841 - 1925)
 - a. Usually regarded as the pioneer of administrative theory
 - b. General management principles suggested by Fayol:
 - 1. Division of work
 - 2. Authority
 - 3. Discipline
 - 4. Unity of command
 - 5. Unity of direction
 - 6. Subordination of individual interests to the general interest
 - 7. Remuneration
 - 8. Centralization
 - 9. Scalar chain
 - 10. Order
 - 11. Equity
 - 12. Stability of tenure of personnel
 - 13. Initiative
 - 14. Esprit de Corps
- C. Limitations of the Classical Approach
 - 1. The human variable for the organization may not be adequately emphasized in the classical approach.

III. THE BEHAVIORAL APPROACH

- A. Emphasizes striving to increase production through an understanding of people
- B. The Hawthorne Studies
 1. The behavioral approach is usually described as beginning with a series of studies conducted between 1924 and 1932, which investigated the behavior and attitudes of workers. Accounts of the Hawthorne Studies are divided into two phases: the relay assembly test room experiments and the bank wiring observation room experiment.
- C. The Relay Assembly Test Room Experiments
 1. The experimenters believed that if productivity was studied long enough under different working conditions, those working conditions maximizing production would be found.
 2. The experimenters concluded that human factors within organizations could significantly influence production.
- D. The Bank Wiring Observation Room Experiment
 1. The purpose of the bank wiring observation room experiment was to analyze the social relationships in a work group.
 2. The research concluded that social groups in organizations could effectively exert enough pressure to influence individuals to disregard monetary incentives.
- E. Recognizing the Human Variable
 1. The Hawthorne studies pointed out the need to study the human variable, since it could drastically increase and decrease productivity.
- F. The Human Relations Movement
 1. A people oriented approach to management. Management stimulates high worker commitment and productivity through human relations skills and the ability to work with people in a way to enhance organizational success.

CLASS DISCUSSION HIGHLIGHT

MODERN RESEARCH AND COMPREHENSIVE MANAGEMENT SKILL

Fostering Safe Behavior Among Construction Workers

One would believe that option 1 – fining employees who perform unsafe behaviors would be the one that contractors most valued. In contrast, option 3 – demotion – would be the least valued option. The rationale for this is that in docking employees with a fine indicates that while contractors take the breach of safety measures seriously, the “punishment” is one that reflects understanding of human behavior and matches the punishment with the deed. Thus, demotion would be seen as too harsh a punishment that may lead to resentment rather than a behavioral change.

It would be interesting to ask students to put themselves in the shoes of the employees and ask them which of the three types of punishments would get them to change their behavior. Answers to this can help students understand human behavior and develop their own management style.

IV. THE MANAGEMENT SCIENCE APPROACH

- A. Suggests that managers can best improve their organizations by using the scientific method and mathematical techniques to solve operational problems.
- B. The Beginning of the Management Science Approach
 - 1. The scientific method of problem-solving can be traced back to World War II and involves the following sequential steps:
 - a. Observing
 - b. Constructing a model
 - c. Deducing
 - d. Testing the model
- C. Management Science Today
 - 1. By 1955, the management science approach to solving industrial problems had proven very effective.
 - 2. By 1965, the management science approach was being used in many companies and was being applied to diverse management problems.
 - 3. In the 1980s, surveys indicated that these techniques were used extensively in very large, complex organizations.
 - 4. The challenge for managers in the twenty-first century is to find ways of applying management science techniques to smaller organizations.
- D. Characteristics of Management Science Applications
 - 1. Management problems studies are so complicated that managers need help in analyzing a large number of variables.
 - 2. Management science applications generally use economic implications as guidelines for making a particular decision.
 - 3. The use of mathematical models to investigate the decision situation is typical in management science applications.
 - 4. The use of computers is valuable to the complexity of managerial problems and the sophisticated mathematical analysis of problem-related information.

V. THE CONTINGENCY APPROACH

- A. Emphasizes that what managers do in practice depends on, or is contingent upon, a given set of circumstances or situation.
- B. Attempts to outline the conditions or situations in which various management methods have the best chance of success.
- C. Main challenges in using the contingency approach include:
 - 1. Perceiving organizational situations as they actually exist
 - 2. Choosing the management tactics best suited to those situations
 - 3. Competently implementing those tactics
- D. The contingency approach to management is not new and that managers must face the realities of the specific organizational circumstances they encounter

VI. THE SYSTEM APPROACH

- A. Based on general system theory, to fully understand the operation of an entity, it must be viewed as a system.

- B. A system is a number of interdependent parts functioning as a whole for some purpose.
- C. Types of Systems
 - 1. Closed systems are not influenced by and do not interact with their environments; i.e., a clock.
 - 2. An open system is constantly interacting with its environment; i.e., a plant or vegetable.
- D. Systems and “Wholeness”
 - 1. The system must be viewed as a whole and modified only through changes in its parts.
- E. The Management System
 - 1. Composed of a number of parts that function on an interdependent basis to achieve a purpose.
 - 2. The three main parts are:
 - a. Organizational input
 - b. Organizational process
 - c. Organizational output
- F. Information for Management System Analysis
 - 1. Three primary information sources:
 - a. The classical approach to management
 - b. The behavioral approach to management
 - c. The management science approach to management
 - 2. Triangular management uses these three information sources to analyze the management system.

VII. LEARNING ORGANIZATION: A NEW APPROACH?

- A. A Learning Organization is built on five organizational characteristics:
 - 1. Systems Thinking: each member understands how his or her job fits together to provide final products to the customer
 - 2. Shared Vision: each member holds a common view of the purpose of the organization and a commitment to accomplish the purpose
 - 3. Challenging of Mental Models: Members routinely challenge the way business is done and the thought processes used in organizational problem solving
 - 4. Team Learning: All members work together in teams to develop and apply solutions to problems
 - 5. Personal Mastery: all members are committed to gaining a deep understanding of their work and to meeting all challenges that confront them

CHALLENGE CASE SUMMARY HANDLING COMPETITORS AT BURGER KING

Burger King is facing new competition from “quick casual” restaurants which are offering healthier food at higher prices. This appeals to individuals between 18-34 years old, a key demographic for the fast-food industry. Burger King has attacked this new competition by adding its own with healthier food offerings and has begun from suppliers that treat animals more

humanely. CEO of Burger King, John Chidsey, mentioned in the introductory case, understands that Burger King must compete vigorously in order to survive.

This case illustrates the many different comprehensive management skill challenges that management at Burger King must strive to meet and to be successful, management must collectively apply insights from the classical, behavioral, management science, contingency, systems, and learning organization approaches to management.

First of all, John Chidsey could attempt to use a classical approach to management to stress organizational efficiency. He should focus on efficiency in order to contend with new competitors by reducing costs and stressing efficient scheduling of employees. Offering his employees some sort of bonus if they reach certain work goals which are realistic and obtainable, might be another suggestion. The comprehensive analysis of organizations implies that Chidsey might be able to further improve success at Burger King by evaluating the entire range of managerial performance especially organizational efficiency, the handling of people, and appropriate management actions.

The behavioral approach to management stresses that managers should recognize the human variable in their restaurants and strive to maximize its positive effects. John Chidsey could enhance the success of Burger King by encouraging managers to use the management science approach to solve operational problems by studying and observing what actually takes place in the restaurant so that changes which could help or hurt the restaurant as a whole, can be predicted.

Following the contingency approach to management, Burger King managers' actions would be dependent on a particular situation encountered, not necessarily following a prescribed formula. The system approach would view a restaurant as a system, or a number of interdependent parts that function as a whole to reach restaurant objectives where a Burger King restaurant would be viewed as an open system.

Finally, utilizing the learning organization approach, a restaurant manager would need to see the restaurant as an organizational unit that should focus on creating, acquiring, and transferring knowledge, and modifying behavior to reflect new knowledge. This would require encouraging employees to generate new ideas and work as teams.

DISCUSSION QUESTIONS

”Handling Competitors at Burger King” was written to help students better understand the management concepts contained in this chapter. Answer the following discussion questions about the Challenge Case to better understand how concepts relating to management history can be applied in a company such as Burger King.

1. Based upon information in the introductory case, list three problems that you think future Burger King managers will have to solve.

A variety of answers could be obtained depending on whether one focuses on competitors, changes in eating habits, demographic changes, employee availability, technology, and financial challenges.

2. What action(s) do you think the managers will have to take to solve these problems?

Burger King has added new items to its menu and managers must adjust their processes to produce food to match competitors' healthier products. It may require multiple approaches to keep from losing at least some market share. Solving problems can be approached through the utilization of various management approaches, as well.

3. From what you know about fast-food restaurants, how easy would it be to manage a Burger King restaurant

Students may have many responses. They may point to the long hours, customer complaints, and stress. Recently, Burger King has been willing to alter its product lines to include healthier food offerings, causing more complications.

MANAGEMENT SKILLS ACTIVITIES

UNDERSTANDING APPROACHES TO MANAGEMENT CONCEPTS

Essay Questions

1. How will you be able to use the classical approach to management in your job as a manager?

The classical approach to management can best be defined as the approach that stresses efficiency in the organization through task structuring. The task structuring involves the analysis of the task to determine the "one best way" to perform the task. This analysis is broken into two distinct areas: lower-level management and comprehensive management analysis. Analysis of both areas concentrates on efficiency and organization.

2. How does Henri Fayol's contribution to management differ from the contributions of Frank and Lillian Gilbreth?

As a pioneer of administrative theory Fayol outlined the elements of management through general functions—planning, organizing, commanding, coordinating, and control. There are fourteen principles related to these functions.

Frank and Lillian Gilbreth contributed to the scientific method by focusing on lower-level management analysis. In particular, they are known for their motion analysis which is used today primarily to establish job performance standards.

3. Discuss the primary limitation of the classical approach to management. Would this

approach be more significant to manager of today than managers in the more distant past? Explain.

The primary limitation to the classical approach to management is the lack of consideration given to the human variable in the organization. The interpersonal areas of conflict, communication, leadership, and motivation are merely glanced over, and for the most part, ignored.

Yes, the classical approach to management would be more significant to managers of today than in the distant past because management over the years has evolved to emphasize the importance of the human variable.

4. What is the 'systems approach' to management? How do the concepts of closed and open systems relate to this approach?

The theory behind the systems approach to management is that to understand fully the operation of an entity, the entity must be viewed as a system. A system is a number of interdependent parts functioning as a whole for some purpose. An example would be the human body whose interdependent parts include many organs and tissues, many of which are highly specialized. A closed system does not interact with its environments, nor is it influenced by them. Such systems are mostly mechanical. Open systems, on the other hand, are constantly interacting with their environments. They are both influenced by and have influence upon their environment.

5. Discuss the Triangular Management Model as a tool for organizing how a manager should think about the management process.

Triangular management is a management approach that emphasizes using information from the classical, behavioral, and management science schools of thought to manage the open management system.

EXPLORING YOUR MANAGEMENT SKILL: PART 2

YOUR MANAGEMENT SKILLS PORTFOLIO:

Comprehensive Management Skill at Crocs, Inc.

Crocs Inc. started when three Boulder, Colorado based founders decided to develop and market an innovative type of footwear called Crocs™ shoes. Originally intended as a boating/outdoor shoe because of its slip-resistant, non-marking sole, by 2003 Crocs had become a bona-fide phenomenon, universally accepted as an all purpose shoe for comfort and fashion.

From 2003-2004 Crocs focused on accommodating remarkable growth while maintaining control. The company expanded its product line, added warehouses and shipping programs for speedy assembly and delivery, and hired a senior management team. Today, Crocs are available all over the world and on the internet as we continue to significantly expand all aspects of our business.

Despite rapid success, Crocs still stands behind its core values. The company is committed to making a lightweight, comfortable, slip-resistant, fashionable and functional shoe that can be produced quickly and at an affordable price.

Crocs has also developed products that focus on the needs of specific industries. The company offers specialized footwear products that support the needs of the Health Care, Hospitality, Restaurant, and Transportation industries. The stylish closed-toe designs, made from patented material, are non-marking, slip-resistant, and odor resistant. Ergonomically certified, company shoes provide arch support with circulation nubs designed to stimulate your feet while you work. Crocs purports that its shoes improve the health, safety, and overall well-being of the work place.

ACTIVITY 1

You have just been appointed the new president of Crocs, Inc. To be successful, you will need to apply insights from many different approaches to management – your comprehensive management skill. Fill out the form below to help you organize your thoughts about how to examine Crocs, Inc. from a comprehensive management skill perspective..

Responses will vary. The behavioral approach to management involves organizational success from an understanding of people. Do employees get along with management, do employees get along with each other, is there an atmosphere of “esprit de corps” within the company? These would be questions to ask.

Under the systems approach, what major parts of Crocs, Inc., function together to achieve goals? The theory behind the systems approach to management is that to understand fully the operation of an entity, the entity must be viewed as a system. The management system consists of three main parts: (1) organizational input, (2) organizational process, and (3) organizational output. More simply stated, these parts are resources, the production process, and finished goods. These three parts function in unison to achieve organizational objectives. Therefore, as president, you would want to study the relationships between these three main parts.

Under the Classical Approach- managing by finding the “one best way” to do jobs, as president of Croc, Inc., you will want to discover whether people have the right tools for performing their jobs. Under the classical approach to management, you will want to do an analysis of two distinct areas: lower-level management and comprehensive management to gauge efficiency..

ACTIVITY 2

Assuming that you have gathered the information outlined in ACTIVITY 1, explain how the Triangular Management Model would enable you to organize your thoughts for enabling Crocs, Inc. to maximize success.

The triangular management model suggests that a synthesis of classically based information, behaviorally based information, and management science-based information is critical to effective use of the management system. As president, you should consider using these three

information sources together for Crocs to gain a complete and deepening insight into successful management.

EXPERIENTIAL EXERCISE: ANALYZING A GOLF SWING

Directions.

Read the following scenario and then have students perform the activities that follow. The activities may be performed as an individual or within groups.

Frank and Lillian Gilbreth recommended improving worker efficiency and effectiveness by searching for the ‘one best way’ to perform work tasks. To discover this ‘one best way’, the Gilbreths would perform motion studies. A motion study would pinpoint those behaviors normally associated with a job well done and encourage workers to adopt those behaviors. As a result of one of the Gilbreths’ motion studies, the number of motions needed to lay brick was reduced from twelve to two. Obviously, the effectiveness and efficiency of bricklayers were significantly increased as a result of the motion study.

To gain some experience in performing a motion study, consider the following two photographs.

In photograph 1, you see the follow through and finish of Tiger Woods, a professional golfer. This form is commonly recommended to be a successful golfer. In photograph 2, you will see the form and follow through of an amateur golfer. The form and follow through of this amateur do not lead to the same golf success that Woods attains.

Activity 1: Compare Tiger Woods’ follow through and finish to that of the amateur. How are they the same? How are they different? Refer to very specific behaviors in your comparison. Responses may vary.

Activity 2: What advice would you give the amateur for improving his success in golf? Responses will vary but practice, practice, practice! The desire and dedication has to be present in the golfer to want to improve his success in golf.

Activity 3: What are the strengths and limitations of your motion study results? Responses will vary however, the strengths of the motion analysis could be the time focused on studying the form and follow through of the amateur golfer. Each movement, or motion, that is used is studied to determine how much time the movement takes and how necessary it is to performing the job. Inefficient or unnecessary motions are pinpointed and eliminated. The limitations of the motion study could be the length of time it takes to perform the study, the work environment and the desire of the amateur golfer to perfect his/her form and follow through.

EXPERIENTIAL EXERCISE: YOU AND YOUR CAREER: PLANNING TO BE A PRESIDENT

You have just been offered a job as time study specialist in a company that manufactured plumbing tools. Your main job would be to figure out how hard people should be working – that is, how many activities of various sorts they should be performing per hour. Using a stopwatch and computer, you would measure what people do during a typical workday and make suggestions to their supervisors for how employees can improve. You would probably enjoy seeing how a piece of scrap metal is molded into a finished tool. On the other hand, you may not enjoy pushing people to work harder through the results of your studies. The salary and benefits seem fine to you. You’ve been happy with the company for two years and think that eventually you’d like to be president of this company. Would you take the job? Why? Why not?

Student responses would vary depending on, among other things: their fondness for the industry, the company’s approach to using time-and-motion studies to make jobs more efficient, etc.

21ST CENTURY CHANGES FOR 160-YEAR OLD NEW YORK TIMES

1. Assume you are a manager working at the New York Times’ headquarters. Based on the current changes taking place at the newspaper, which of Henri Fayol’s 14 principles of management would be the most pertinent to you? Why?

While student responses may vary, they may want to consider two of Fayol’s principles: unity of direction, and initiative. Unity of direction says that the entire organization should be moving toward a common objective, in a common direction. The Internet has changed the way how people access information and this is proving to be a challenge to the newspaper. As a manager, you should be addressing this challenge and see how the entire organization can confront this. Secondly, initiative is needed to obtain additional revenue by leveraging the paper’s brand name. .

2. With all the changes occurring at the Times, do you think the systems approach to management is applicable to this organization? Why or why not?

The systems approach defines the management system as an open system that interacts with its environment. Environmental factors include the government, suppliers, customers, and competitors. In the case of the Times, the key environmental factor is technology. Confronting the Internet is key to the Times’ success and so the systems approach would work for the newspaper.

3. How do you think working conditions have changed at the New York Times? What do you imagine it was like to work there in 1851?

Students should be asked to imagine a newsroom with none of the modern technological tools that we currently take for granted – telephones, etc. How would a newspaper reporter submit stories? If you were a fact checker, how would you do your job?

TEACHING NOTES FOR VIDEONET EXERCISE:

Rewards and Challenges of Being a Manager: Campus MovieFest

VIDEO HIGHLIGHTS

Campus MovieFest (CMF) began in the Atlanta area as a student film club. It has expanded to hold festivals at over 50 colleges and universities worldwide and is now the world's largest student film festival. On each campus location, CMF provides student teams all the equipment, training, and technical support needed to make their own five-minute movies, for one week. In the video, several managers discuss the beginnings of the company, managerial roles, communication, challenges, and rewards.

Discussion Questions

1. Describe the beginnings of Campus MovieFest as discussed by Vijay Makar in the video.

Makar, one of the founders of Campus MovieFest (CMF), says everything started when he and a group of fellow college students formed a film club. They never considered growing beyond a college club until they were contacted by other universities and asked to hold similar events at their locations. Makar says the founders of CMF immediately wrote a formal business plan, which won a \$10,000 grant. One year after the founders graduated from college, the festival expanded to a city-wide event in Atlanta, Georgia.

2. Describe the many roles of the managers in the video.

In the video, coordinator Jessica Reynoso says she organizes and plans the regional and international events held throughout the year. She also handles the day-to-day interactions between the corporate partners and the employees. Abe Mohammadi, the director of production, guides the internal video productions and organizes and distributes the student content created through the CMF events. Tour manager Aaron Azpiazazu communicates with university contacts, arranges locations for festivals, strategizes promotions, and plans the staff's travel accommodations.

3. What do the managers say are the rewards and challenges of their jobs?

According to the managers interviewed for the video, they are challenged by the "long-term, endurance-based" travel. While on location, employees spend every waking hour together for weeks at a time. Because the organization is so small, some managers believe they do the work of two people.

Managers say they are rewarded by their interactions with students, the work the students create, and the reaction of the crowds who view the films. They say the company is on a good path for growth and change and that the employees work very well together. Managers say they would not change a thing about the company.

Internet Activity

Browse the Campus MovieFest site at www.campusmoviefest.com. Look around the site. Take the time to watch some of the featured student videos. Now click on the “About Us” link. Once there, read the statements listed about the organization’s mission and goals. Are these statements consistent with the video clip? Use the Management Systems approach to describe the typical process of making a student video. If you were to make your own student video, what would it be about? Why?

The website lists the goal of CMF as follows “to showcase the next generation of moviemakers and empower people everywhere to share their stories with the world. It is a vision that has provided students the chance to learn skills that will be beneficial throughout their lives.” This is consistent with what is presented in the video clip.

Students should be able to clearly recognize the systems process for making a video/film. Actors, props, cameras, scripts, etc. would be listed as inputs. The process is filming, editing, etc., and the output would be the final video or film.

Student answers will vary on the last question. However, this should generate a unique and interesting discussion concerning student issues and concerns.