Chapter 2

Management Theory:
Essential Background for the Successful Manager

CHAPTER CONTENTS

Teaching Resource Manual: A Guide to Implementation

The purpose of the Teaching Resource Manual (TRM) is to support you in the delivery of your chosen curriculum in either a face-to-face or online classroom formats. It also was created to help you address some of the **following challenges in higher education:**

- Addressing the inability to measure student comprehension prior to major assignments such as a midterm or project.
- Overcoming the inability to tailor your lecture to the topics that students find difficult.
- Increasing student engagement by providing opportunities for them to apply the knowledge gained in the classroom to real-world scenarios.
- Providing students with opportunities for self-reflection outside of classroom activities.
- Increasing students' critical-thinking and problem-solving skills.

You will learn that we created many different teaching resources you can use either before, during, or after class. Because of the quantity of options, the goal of this implementation guide is to provide an overview of how you might select the many teaching resources at your disposal.

So What Assets Can I Chose From?

Generally, a typical class session for any course comprises three "touch points": before, during, and after class. For a face-to-face course, your class session would normally be the day you lecture to students. For an online course, the class session would be when you recorded the lecture or when the live lecture is streamed on the Web.

Our teaching resources fall into nine categories: SmartBook, connect application exercises, videos, self-assessments, online readings, discussion starters, mini-cases and full cases, experiential or follow-up activities, and group exercises. After describing the use of SmartBook and connect application exercises, we discuss how you might use these teaching resources before, during, or after class.

Assigning SmartBook and Connect Application Exercises

Connect gives you a wide array of flexibility in making assignments and creating grading policies. You may choose to:
- assign as many assignments as appropriate.
- determine point values for each question/application exercise individually.
- make available multiple attempts per assignment with options of accepting the highest score or averaging all the scores together.
- deduct points for late submissions of assignments (percentage deduction per hour/day/week/so forth) or create hard deadlines.
- show feedback on application exercises/questions immediately or at your preference.

- provide for study-attempts to allow for completion of the assignment after the due date without assigning a point value.

Some recommendations include:
- Before selecting the option for one attempt only, select unlimited or multiple attempts on the first few assignments to allow students a chance to learn and navigate the system.
- Provide a low point value for each question because multiple questions are usually assigned for each chapter. A good rule of thumb would be to make "Quiz Questions" worth 1 point each and "Application Exercises" worth 5 to 10 points each because these require more time and thought.
- Select feedback to be displayed after the assignment due date in order to limit students from giving the correct answers to other students while the application exercise is still available.

So When Do I Assign Each Type of Teaching Resource?

Wouldn't it be wonderful if you could transition from simply assigning readings, lecturing, and testing to actually adapting your teaching to student needs? By utilizing the teaching resources outlined below during the three touch points, you can significantly impact students' learning and create a learning environment that is more engaging, involving, and rewarding. In other words, you can now tailor your classrooms to pinpoint and address critical challenges, thereby creating the greatest impact. The following recommendations pertain to these mentioned touch points, with an additional matrix that follows.

Before Class

The learning goals we have for students determines our assignments before, during and after class. For example, you may want to focus on mastering content, applying content, or using content to solve problems. Alternatively, you may want to achieve all three goals.

If your goal is mastery of content, Connect offers a host of additional pre-class assignments to choose from. They include case analyses, click and drags, video cases, Manager's Hot Seats, self-assessments, and quizzes and tests. Case analyses, click and drags, and video cases are optimal exercises to be utilized prior to class, as they provide students the opportunity to practice and apply key course concepts.

A reading assignment—typically a chapter from the product in use—is a student's initial exposure to course content. Requiring students to complete a SmartBook module either prior to class or an online lecture allows you to gauge their comprehension of the material. Having a better sense *before* class of which concepts your students are "getting" and which ones they are not, allows you to more effectively and efficiently plan your time with them *during* class. To ascertain student competency, use the reporting function of SmartBook, where you can view

general results of their performance. To ascertain student confidence in their competency, pull a metacognitive skills analysis report. Below are screenshots of both a general results report and a metacognitive skills analysis. In the sample report of student comprehension by topic, note the percent of questions answered correctly in the last column of the report.

Self-study work
Number of assigned items: 73

Chapter section	Average time spent (hh:mm:ss)	Average questions per student correct / total	Correctness 0% — 100%	
Global Management Managing across Borders	0:05:27	55 / 73		75%
4.1 Globalization: The Collapse of Time & Distance	0:00:41	7 / 8		86%
4.2 You & International Management	0:00:29	5 / 6		82%
4.3 Why & How Companies Expand Internationally	0:01:04	11 / 14		76%
4.4 The World of Free Trade: Regional Economic Cooperation	0:01:35	16 / 21		78%
4.5 The Importance of Understanding Cultural Differences	0:01:36	16 / 24		67%

Sample Report of Student Comprehension by Topic shows you what topics students are struggling with.

In the sample metacognitive skills analysis, the percentages show how much students know, but didn't realize they knew, as well as how much they *didn't know*, but thought they did know. This allows instructors to make sure students are cognizant about what they know or don't know, before expecting them to be competent in the concepts being taught. Such metacognitive analysis would have been unimaginable in the past because it would be difficult to find out which students had read and understood the material, let alone if they were aware or unaware of their inability to comprehend.

Sample report. Metacognitive skills

Student	Correct & aware	Correct & unaware	Incorrect & aware	Incorrect & unaware	E-mail
Student, 25	7%	53%	36%	4%	student25@mail.com
Student, 26	59%	29%	4%	8%	student26@mail.com
Student, 27	7%	68%	23%	2%	student27@mail.com
Student, 28	18%	41%	28%	13%	student28@mail.com
Student, 29	7%	66%	24%	3%	student29@mail.com
Student, 30	11%	64%	18%	7%	student30@mail.com
Student, 31	6%	60%	31%	3%	student31@mail.com
Student, 32	6%	53%	37%	5%	student32@mail.com
Student, 33	7%	68%	23%	3%	student33@mail.com
Student, 1	7%	72%	20%	1%	student1@mail.com
Student, 34	9%	79%	10%	1%	student34@mail.com
Student, 2	13%	52%	29%	6%	student2@mail.com
Student, 35	47%	30%	8%	15%	student35@mail.com

Sample Report of Metacognitive Skills Analysis shows you student consciousness or unconsciousness in regards to competency.

Additionally, Connect application exercises, such as case analyses, click and drags, and video cases, offer students a second exposure to important sections of the chapter after their completion of a SmartBook assignment.

Finally, you can use iSeeIt videos to emphasize content we have found difficult for students to understand. These animated videos were developed to further unpack in brief, yet effective, fashion the course topics that most commonly challenge students. Each animated video is

accompanied by auto-graded multiple-choice questions that can be assigned to confirm student comprehension.

If your learning objectives include fostering application and integrating the concepts discussed with real world practice, then Management in Action or legal/ethical challenge cases can be assigned so students can think critically and understand how what they are learning is actually practiced by successful professionals. The Management in Action cases have multiple-choice questions that can be assigned in Connect to gauge student comprehension.

During Class

The TRM offers a host of additional materials and experiential activities you can use to bring chapter content to life.

If your goal is content mastery and you are utilizing SmartBook, you can plan class activities and lecture based on results from the general results report and the metacognitive skills report. This allows for a more tailored class period that enhances student engagement and more opportunities to resolve gaps in knowledge. We also provide links to online readings that you can use to supplement the content covered in the textbook. They are useful if you desire to provide additional material beyond that covered in the text.

If your goal is to create an engaging learning environment filled with student discussion and interactions, we provide multiple resources. First, each major heading in a chapter contains suggested discussion starter questions. These open-ended questions are likely to foster student discussion and engagement. We also provide additional activities (i.e., experiential exercises) for every Example and Practical Action box.

If your goal is to provide for additional application of material, the TRM breaks down the textbook Management in Action cases and legal/ethical challenges by providing questions and ideal responses. Connect also has multiple-choice questions that can be assigned for the Management in Action cases. Finally, the TRM has a selection of group exercises that allows instructors to focus on team learning methods.

If your goal is to jointly engage your students while applying content from the text, you can select such activities as the Manager's Hot Seats Connect follow-up activities, or self-assessment follow-up activities (all follow-up activities are found in the TRM). These assets are especially useful if you are "flipping" your classroom, wherein the class session is used for application and analysis of key concepts rather than lecture. The Resources across Teaching Touch Points Matrix provides a quick reference for activities that can be utilized during class.

After Class

After the face-to-face class session, or online lecture, you can assign Connect application exercises as homework to further reinforce the material covered in the textbook and lecture.

You may also want to assign an iSeeIt! animated video if you notice that students are struggling with a particular topic, even after class. After each unit (planning, organizing, leading, and controlling) students can also be assigned the cumulative case, which includes assignable multiple-choice and essay-based questions. To further gauge student comprehension, you can also assign a quiz or exam. The quiz banks in Connect focus more on defining and explaining material, and the test banks focus more on application and analysis.

Resources Across Teaching Touch Points Matrix

Type of Asset	Before-Class/Lecture	During-Class/Lecture	After-Class/Lecture
Smart Book	✓		
Connect Application Exercises	✓		✓
Connect Application Exercise TRM Follow-up Activities		✓	
iSeeIt! Animated Videos	✓	✓	✓
Self-Assessments	✓		✓
TRM Self-Assessment Follow-up Activities		✓	
Quizzes/Tests	✓		✓
Legal/Ethical Challenges	✓	✓	✓
Manager's Hot Seats	✓	✓	✓
Cumulative Case	✓	✓	✓
TRM Box Additional Activities (i.e. Example and Practical Action)		✓	
Management in Action	✓	✓	✓
Group Exercises		✓	
TRM Discussion Starters		✓	
TRM Online Readings	✓		✓

A Week at a Glance

When creating a syllabus and schedule for students, you can utilize the above-mentioned matrix as a guide. Let's use the following example: You teach a **face-to-face** Principles of Management course, and the course meets once-a-week on Wednesday afternoons. If this is the fourth week of the semester and you are covering Chapter 4 on Global Management, the following format can be utilized:

Before Class (before Wednesday)

- *Assign Chapter 4 in SmartBook, making it due Tuesday evening so that reporting can be reviewed prior to the lecture on Wednesday. The lecture can be customized based on what concepts in the chapter students are struggling most with, as can be seen in the reporting function of SmartBook by going to "Reporting" then clicking the "LearnSmart" tab.*
- *A click and drag, such as one on "The GLOBE Project," can be assigned. This can also be due on Wednesday so that students are able to practice prior to class, and you can also review results prior to lecturing.*
- *A case analysis, such as "Costco Plans to Grow Its International Market," can also be included so that students can learn about applying the concepts from the reading to a real-life scenario; therefore, further engaging them prior to the class session. If desired, you can then introduce a follow-up activity, found in the Teaching Resource Manual, during class on Wednesday.*
- *A self-assessment can be assigned, such as "Assessing Your Consumer Ethnocentrism," in order to follow-up on content covered in the reading and to provide students with an opportunity to self-reflect, and by seeing how it affects their personal lives, become engaged with the content. This can set up a class activity to follow on Wednesday. Follow-up activities can be found in the Teaching Resource Manual.*

During Class (on Wednesday)

- *You can deliver a short, yet effective, lecture and focus on areas that students are really struggling with. This can be done by reviewing the reporting from SmartBook and any assigned Connect application exercises, such as the recommended click and drag and case analysis. If students are struggling with a particular learning objective, you can then tailor the lecture and/or class activities to address those challenging concepts.*
- *If you are flipping the class and utilizing the in-person session for activities, you can utilize the follow-up activities from previously assigned Connect application exercises in the TRM.*
- *You can assign a self-assessment earlier in the week, for example on "Assessing Your Global Manager Potential," and have students complete a follow-up activity during the class session based on the self-assessment results. Remember, follow-up activities for each Connect application exercise can be found in the TRM.*
- *Manager's Hot Seats can be utilized to open up class discussion. Many of these Hot Seats cover frequent, yet controversial topics, and they ask students to describe what their decision-making process would be in those situations. Many times students will recommend conflicting approaches to solving the issues in the videos; therefore, there is more class engagement. For the global management chapter, one recommended Manager's Hot Seat is "Cultural Differences: Let's Break a Deal." Follow-up activities for this, and every other Hot Seat, can be found in the TRM.*
- *If time allows, and you would like to dive into real situations, you can discuss an Example Box from the text titled, "E-Commerce: Peer-to-Peer Shopping by Smartphone." There is*

an additional in-class activity in the TRM that asks students to read a Wall Street Journal *article on a mobile shopping network, then watch a four-minute video.*

After Class (after Wednesday)

- *You can assign a Connect application exercise, such as "Disney Imagineering," to reinforce student comprehension of material and to also test application of concepts.*
- *If students have been struggling with a particular topic, an iSeeIt! animated video can be assigned to reinforce the concept in a short, effective manner. For Chapter 4, the iSeeIt! video titled "Global Expansion" can be assigned via Connect.*
- *You can assign an online quiz or test on the material. For example, Chapter 4 includes 20 available quiz questions and 95 test questions.*
- *If you would like students to have one final application-based exercise, you can ask them to review the Management in Action case titled, "Costco Plans to Grow Its International Markets." Students can respond to the four essay questions that follow, and/or they can complete multiple-choice questions on Connect.*

If you are teaching a **completely online course asynchronously**, then the in-person class above can be substituted for a recorded online lecture that is customized based on SmartBook reporting. Students can be instructed to complete pre-class activities prior to watching the lecture, and post-class activities after the online lecture. A gap can be included between pre-class activities and the recording of the lecture so that reporting can be reviewed.

This example is simply a week out of many that will provide for rigorous learning and student impact! You can utilize this format when creating a syllabus and extrapolate the rest of the weeks.

LEARNING OBJECTIVES

After studying this chapter, students should be able to answer the following questions:

2.1 What's the payoff in studying different management perspectives, both yesterday's and today's?

2.2 If the name of the game is to manage work more efficiently, what can the classical viewpoint teach me?

2.3 To understand how people are motivated to achieve, what can I learn from the behavioral viewpoint?

2.4 If the manager's job is to solve problems, how might the two quantitative approaches help?

2.5 How can the exceptional manager be helped by the systems viewpoint?

2.6 In the end, is there one best way to manage in all situations?

2.7 Can the quality-management viewpoints offer guidelines for true managerial success?

2.8 Organizations must learn or perish. How do I build a learning organization?

TEACHING RESOURCES

Section	Title	Resource Type
2.1: Evolving Viewpoints: How We Got to Today's Management Outlook		
	Google, Amazon, and Netflix Know Their Most Important Product Is You Supplemental Activity	Web Video (5 minutes)
	Handbook for New Employees Supplemental Activity	Online Article
2.2: Classical Viewpoint: Scientific and Administrative Management		
	Ford and Taylor Scientific Management Supplemental Activity	Web Video (7 minutes)
2.3: Behavioral Viewpoint: Behaviorism, Human Relations, and Behavioral Science		
	The Year They Discovered People Supplemental Activity	Web Video (14 minutes)
	What Is Your Orientation toward Theory X/Theory Y? Self-Assessment Activity	Self-Assessment
	Google: Modern Management	Connect Case Analysis

t	The Open-Office Concept Is Dead Supplemental Activity	Online Article with Video (1 minute)
2.4: Quantitative Viewpoint: Management Science and Operations Research		
	Technology Helps Food Banks Handle Holiday Surge Supplemental Activity	Online Article
	Pandora, Spotify Spin Up New Stations Supplemental Activity	Web Video (2 minutes)
	Saving Sight: The Toyota Effect Supplemental Activity	Web Video (5 minutes)
2.5: Systems Viewpoint		
	Sports Authority Shutting Down With Giant Going-Out-Of-Business Sale Supplemental Activity	Web Video (1 minute)
	Sports Authority Plans to File for Bankruptcy Protection Supplemental Activity	Online Article
	On the Trail: Petrified Forest National Park Supplemental Activity	Web Video (5 minutes)
	The Systems Viewpoint	Connect Click and Drag

2.6: Contingency Viewpoint		
	The Authenticity Paradox Supplemental Activity	*Harvard Business Review* article*
	L.L. Bean Gives Workers an Outdoor Adventure While on the Job Supplemental Activity	Online Article with Video (2 minutes)
	How a Radical Shift Left Zappos Reeling Supplemental Activity	Online Article with Video (3 minutes)
2.7: Quality-Management Viewpoint		
	Hot Startup Theranos Has Struggled with Its Blood-Test Technology Supplemental Activity	Online Article
	Theranos Voids Two Years of Edison Blood-Test Results Supplemental Activity	Online Article
	Theranos Voids Two Years of Edison Blood-Test Results Supplemental Activity	Web Video (6 minutes)
	To What Extent Is Your Organization Committed to Total Quality Management? Self-Assessment Activity	Self-Assessment
	Which Are the Best Companies to Work for in the United States and Why?	Group Exercise
	New Belgium Brewery	Connect Video Case
2.8: The Learning Organization in an Era of		

Accelerated Change		
	Why Organizations Don't Learn Supplemental Activity	*Harvard Business Review* article*
	Are You Working for a Learning Organization? Self-Assessment Activity	Self-Assessment
	The Learning Organization	Connect Click and Drag
Comprehensive Materials		
	Best Buy Uses Management Theories to Improve Corporate Performance	Management in Action
	What Should You Do about an Insubordinate Employee?	Legal/Ethical Challenge
	Quick Start Job Training	Publisher Video

Harvard Business Review articles are subscription based or accessible via hbsp.harvard.edu as examination copy.

2.1 Evolving Viewpoints: How We Got to Today's Management Outlook

There are six good reasons for studying theoretical perspectives: 1) Understanding of the present, 2) Guide to action, 3) Source of new ideas, 4) Clues to meaning of your managers' decisions, 5) Clues to meaning of outside events, and 6) Producing positive results. There are two perspectives about management: **historical** and **contemporary**. Historical includes three viewpoints: **classical**, **behavioral**, and **quantitative**. Contemporary includes **systems**, **contingency**, and **quality-management.**

2.2 Classical Viewpoint: Scientific and Administrative Management

The classical viewpoint, which emphasized finding ways to manage work more efficiently, had two branches—scientific and administrative. In general, classical management assumes that people are rational. **Scientific management** emphasized the scientific study of work methods to improve the productivity of individual workers. **Administrative management** is concerned with managing the total organization. A flaw in the classical viewpoint is that it is mechanistic and does not take into account the importance of human needs.

2.3 Behavioral Viewpoint: Behaviorism, Human Relations, and Behavioral Science

The **behavioral viewpoint** emphasized the importance of understanding human behavior and of motivating employees toward achievement. The behavioral viewpoint developed over three phases: (1) **early behaviorism**, (2) **the human relations movement**, and (3) **behavioral science**. The three people who pioneered behavioral theory were Hugo Munsterberg, Mary Parker Follett, and Elton Mayo. Mayo hypothesized the **Hawthorne effect**—namely, that employees worked harder if they received added attention, if they thought that managers cared about their welfare and that supervisors paid special attention to them. The two theorists who contributed most to the **human relations movement**—which proposed that better human relations could increase worker productivity—were Abraham Maslow and Douglas McGregor. **Behavioral science** relies on scientific research for developing theories about human behavior that can be used to provide practical tools for managers.

2.4 Quantitative Viewpoint: Management Science and Operations Research

Quantitative management is the application to management of quantitative techniques, such as statistics and computer simulations. Two branches of quantitative management are **management science** and **operations management**. Management science focuses on using mathematics to aid in

problem solving and decision making. Operations management focuses on managing the production and delivery of an organization's products or services more effectively.

2.5 Systems Viewpoint

A **system** is a set of interrelated parts that operate together to achieve a common purpose. The **systems viewpoint** regards the organization as a system of interrelated parts. The four parts of a system are **inputs**, **transformational processes**, **outputs**, and **feedback**. An **open system** continually interacts with its environment. A **closed system** has little interaction with its environment. The systems viewpoint has led to the development of **complexity theory**, the study of how order and pattern arise from very complicated, apparently chaotic systems.

2.6 Contingency Viewpoint

The **contingency viewpoint** emphasizes that a manager's approach should vary according to—that is, be contingent on—the individual and the environmental situation. **Evidence-based management** means translating principles based on best evidence into organizational practice, bringing rationality to the decision-making process.

2.7 Quality-Management Viewpoint

The **quality-management** viewpoint includes quality control, quality assurance, and total quality management. **Quality** refers to the total ability of a product or service to meet customer needs. **Quality control** is defined as the strategy for minimizing errors by managing each stage of production. **Quality assurance** focuses on the performance of workers, urging employees to strive for "zero defects." **Total quality management (TQM)** is a comprehensive approach—led by top management and supported throughout the organization—dedicated to continuous quality improvement, training, and customer satisfaction.

2.8 The Learning Organization in an Era of Accelerated Change

A **learning organization** is an organization that actively creates, acquires, and transfers knowledge within itself and is able to modify its behavior to reflect new knowledge. To create a learning organization, managers must perform three key functions or roles: (1) build a commitment to learning, (2) work to generate ideas with impact, and (3) work to generalize ideas with impact.

The Manager's Toolbox: Mind-sets: How Do You Go about Learning?

Our mind-set can be a barrier to learning since our mind-set determines what ideas we think are important and what ideas we ignore. Most people have either a fixed mind-set or a growth mind-set. If you have a fixed mind-set, you are likely to believe that your basic qualities such as your intelligence are carved in stone. If you have a growth mind-set, you are likely to believe that your basic qualities can be changed through your efforts, and you will be concerned about improving. If you have a fixed-mind set, you can apply yourself to develop a growth mind-set.

Possible Topics for Discussion:

- Which type of mind-set are you? What can a person begin to do to move from a fixed mind-set to a growth mind-set?
- Describe a time that you displayed a fixed mind-set. How did this mind-set impact your performance?
- How can managers foster growth mind-sets in the employees they manage?

2.1 Evolving Viewpoints: How We Got to Today's Management Outlook

What's the payoff in studying different management perspectives, both yesterday's and today's?

PowerPoint Slides: 3-5; 36-37

Section 2.1 describes two principal theoretical perspectives—the historical and the contemporary. There are six reasons for studying theoretical perspectives: 1) understanding of the present, 2) guide to action, 3) source of new ideas, 4) clues to meaning of your managers' decisions, 5) clues to meaning of outside events, and 6) producing positive results.

One way that you could begin your coverage of these topics is to have the students watch the *Big Think* video "Google, Amazon, and Netflix Know Their Most Important Product Is You." In this 5-minute video, Michael Schrage, research fellow at MIT Center for Digital Business, discusses how companies must manage their networks of customers to innovate. For a supplemental activity, you could have the students discuss how management will evolve in the digital age and what managerial skills will be important in the "networkification" of businesses.

Possible Topics for Discussion:

- There is an old adage that "Those who fail to learn from history are doomed to repeat it." How can that sentiment be applied to the study of management?

- What do you see as the idea that will have the most profound impact on management practice over the next 10-15 years? Defend your point of view.

- Assume you want to implement some of the theories that you have learned about in this course at your company, but your boss is opposed to you implementing anything "theoretical." How could you overcome your boss' resistance to applying management theory?

Section 2.1 Key Concepts:

The Contributions Peter Drucker

- Peter Drucker was the creator and inventor of modern management.

- Drucker proposed that management should be treated as a profession, like medicine or law.

- He was the first person to give us a handbook to manage complex organizations.

Six Practical Reasons for Studying This Chapter

- Understanding of the present.

- Guide to action.

- Source of new ideas.

- Clues to meaning of your managers' decisions.

- Clues to meaning of outside events.

- Producing positive results.

Interactive Classroom Material:

EXAMPLE: Pages from a Game Company's Employee Guide, in Flatness Lies Greatness

This Example discusses how corporate hierarchy can lead to restrictions on an organization's ability to function efficiently. Flat organizations, defined as those with few or no levels of management (as we discuss further in Chapter 8), may allow for fewer organizational barriers between the organization and customers. Rotating leaders, who change based on each project, may also assist in "flattening" the organization.

Two Overarching Perspectives about Management

- The *historical perspective* includes three viewpoints – classical, behavioral, and quantitative.

● The *contemporary perspective* also includes three viewpoints—systems, contingency, and quality-management.

2.2 Classical Viewpoint: Scientific & Administrative Management

If the name of the game is to manage work more efficiently, what can the classical viewpoint teach me?

PowerPoint Slides: 6-13

Section 2.2 describes the classical viewpoint. This viewpoint emphasized ways to manage work more efficiently and had two approaches: (a) scientific management, and (b) administrative management. Scientific management emphasized the scientific study of work methods to improve the productivity of individual workers. Administrative management was concerned with managing the total organization.

One way that you could begin your coverage of these topics is to have the students watch the video "Ford and Taylor Scientific Management." This 7-minute video describes steps taken to make cars quickly and at a low price using the principles of scientific management. For a supplemental activity, have the students debate the extent to which they agree with Taylor's views that "Hardly a workman can be found who doesn't devote his time to studying just how slowly he can work."

Possible Topics for Discussion:

● Thinking of your current or most recent position, provide examples of how you could apply the principles of scientific management to perform your work more efficiently.

● Do you believe that simply paying workers more money is an effective way to overcome the limitations of jobs developed based on the principles of scientific management? Defend your point of view.

● What comes to your mind when you hear the word "bureaucracy"? Do you feel the term's negative connotation is warranted? Defend your point of view.

Section 2.2 Key Concepts:

The Classical Viewpoint

● The classical viewpoint emphasized finding ways to manage work more efficiently.

● This view had two branches—scientific and administrative.

● In general, classical management assumes that people are rational.

Scientific Management

- *Scientific management* emphasized the scientific study of work methods in order to improve the productivity of individual workers.

- Frederick Taylor believed that managers could eliminate *soldiering*, deliberately working at less than full capacity, by applying four principles of science.

    o Evaluate a task by scientifically studying each part of the task.

    o Carefully select workers with the right abilities for the task.

    o Give workers the training and incentives to do the task with the proper work methods.

    o Use scientific principles to plan the work methods.

- Taylor used *motion studies*, in which he broke down each worker's job into basic physical units, and then trained workers to use the best possible methods.

- He suggested using a *differential rate system* in which more efficient workers earned higher wages.

- Taylor believed that, if used correctly, the principles of scientific management could enhance productivity.

- Frank and Lillian Gilbreth, a husband-and-wife team of industrial engineers, expanded on Taylor's motion studies, using movie cameras to film workers at work.

- Frank Gilbreth coined the term "therblig," physical motions you perform from time to time.

- By identifying the therbligs in a job, Frank and Lillian Gilbreth were able to eliminate motions while reducing fatigue.

Administrative Management

- *Administrative management* is concerned with managing the total organization rather than individual workers.

- Henry Fayol was the first to systemize the study of management behavior, and he identified the major functions of management–planning, organizing, leading, and controlling.

- German sociologist Max Weber described a *bureaucracy* as a rational, efficient, ideal organization based on principles of logic.

- A better-performing organization should have five positive bureaucratic features:

    o A well-defined hierarchy of authority.

    o Formal rules and procedures.

    o A clear division of labor.

    o Impersonality.

    o Careers based on merit.

The Problem with the Classical Viewpoint: Too Mechanistic

- The essence of the classical viewpoint was that work activity could be approached rationally.

- The flaw with this viewpoint is that it is mechanistic: it tends to view humans as cogs within a machine.

- Human needs are not given importance.

- However, this approach demonstrated that scientific methods, time and motion studies, and job specialization could be used to boost productivity.

2.3 Behavioral Viewpoint: Behaviorism, Human Relations, & Behavioral Science

To understand how people are motivated to achieve, what can I learn from the behavioral viewpoint?

PowerPoint Slides: 14-22; 38

Section 2.3 describes the behavioral viewpoint. This viewpoint emphasized the importance of understanding human behavior and of motivating employees toward achievement. This viewpoint developed over three phases: early behaviorism; the human relations movement; and the behavioral science approach.

One way that you could begin your coverage of these topics is to have the students watch the classic video The Year They Discovered People. This 14-minute video from 1974 examines the Hawthorne studies through the eyes of the men and women who worked in the plants at the time. For a supplemental activity, you could have students debate whether firms have made any progress since the time of the Hawthorne studies in finding the right balance between the worker and his job. Have the students defend their positions.

Possible Topics for Discussion:

- Explain how the behavioral viewpoint discussed in Section 2.3 is different from the classical viewpoint you learned about in Section 2.2.

- Discuss how you think the Hawthorne studies continue to impact managerial thought and practice.

- Describe how you could apply the principles of behavioral science to evaluate the impact of open-plan offices.

Section 2.3 Key Concepts:

The Behavioral Viewpoint

- The **behavioral viewpoint** emphasized the importance of understanding human behavior and of motivating employees toward achievement.

- The behavioral viewpoint developed over three phases: early behaviorism, the human relations movement, and behavioral science.

The Work of Hugo Munsterberg

- Called "the father of industrial psychology," Munsterberg suggested that psychologists could contribute to industry in three ways:
    - Study jobs and determine which people are best suited to specific jobs.
    - Identify the psychological conditions under which employees will do their best work.
    - Devise management strategies that would influence employees to follow management's interests.

- His ideas led to the field of industrial psychology, the study of human behavior in work places.

The Work of Mary Parker Follett

- Mary Parker Follett was a social worker and social philosopher who believed in power sharing among employees and managers.

- Instead of following the usual hierarchical arrangement, Follett thought organizations should become more democratic.

- Her most important ideas were that:
    - Organizations should be operated as "communities."
    - Conflicts should be resolved by having managers and workers talk over differences and find solutions, a process she called *integration.*
    - The work process should be under the control of workers with the relevant knowledge.

The Work of Elton Mayo

- Conducted by Elton Mayo at Western Electric's Hawthorne plant, the Hawthorne studies began with an investigation into whether workplace lighting level affected worker productivity.

- Mayo hypothesized the **Hawthorne effect**—employees worked harder if they received added attention.

- Although the design of the studies has been criticized, they drew attention to the importance of "social man" and how managers using good human relations could improve worker productivity.

The Human Relations Movement

- The ***human relations movement*** proposed that better human relations could increase worker productivity.

- One human relations theory was proposed by Abraham Maslow in his hierarchy of needs, which included physiological needs, safety, social needs, esteem, and self-actualization.

- Another human relations theory was Theory X versus Theory Y as proposed by Douglas McGregor.

  o *Theory X* represents a pessimistic, negative view of workers—workers are considered to be irresponsible, hate work, and would rather be led than lead.

  o *Theory Y* represents an optimistic, positive view of workers.

  o Theory X/Theory Y is important because it helps managers understand how their beliefs affect their behaviors.

SELF-ASSESSMENT 2.1

What Is Your Orientation toward Theory X/Theory Y?

This 16-question self-assessment gauges students' orientations toward Theory X/Y management behaviors. Questions on responsibility, initiative, ambition, and self-motivation are presented.

The Behavioral Science Approach

- The human relations movement came to be considered too simplistic for practical use.

- ***Behavioral science*** relies on scientific research for developing theories about human behavior that can be used to provide practical tools for managers.

Interactive Classroom Material:

CASE ANALYSIS: Google: Modern Management

Summary of Activity:

This case analysis asks students to read about the management style of Google, one of the most well-known organizations worldwide. The idea behind Google's unique management style is that we now live in an age of rapid technological and cultural change much different than ever experienced before. Students will respond to four multiple choice questions after reading the case.

Follow-Up Activity:

Google has done a good job exhibiting Theory Y, but is it proper to assume that employees need not have extensive supervision and are looking out for the benefit of the organization independently? Students should compare the results of Project Oxygen with the dangers of providing employees with the benefit of the doubt. Is there a happy medium between the two? Students can also take from the eight key behaviors of great managers to address this.

Interactive Classroom Material:

EXAMPLE: Application of Behavioral Science Approach: The Open-Plan Office—Productivity Enhancer or Productivity Killer?

This Example discusses the trend for companies to use open-plan offices, despite the fact that research shows the approach does not always increase productivity. In today's offices, many managers and employees are in an open floorplan using communal tables. This leads to many interruptions by fellow employees, causing some employees to create "no interruption" zones. Another way to reduce interruptions is assigned seating, and not mixing introverts and extroverts so that similar emotional temperaments work together.

2.4 Quantitative Viewpoints: Management Science & Operations Management

If the manager's job is to solve problems, how might the two quantitative approaches help?

PowerPoint Slides: 23-26

Section 2.4 describes quantitative viewpoints, which emphasize the application to management of quantitative techniques, such as statistics and computer simulations. Two approaches of quantitative management are management science and operations management.

One way that you could begin your coverage of these topics is to have the students read *The Wall Street Journal* article "Technology Helps Food Banks Handle Holiday Surge." This article from December 2, 2015 highlights how quantitative approaches to management can be used in service firms. For an in-class exercise, have the students discuss how Second Harvest Food Bank of Middle Tennessee was able to use data and the principles of the quantitative viewpoints to manage the surge in food donations around the holidays.

Possible Topics for Discussion:

- Provide examples of how your employer (or a previous one) has used management science and/or operations management to improve its operations.

- How can managers best combine the insights from the behavioral viewpoint discussed in Section 2.3 with the insights from the quantitative viewpoints discussed in Section 2.4?

- Discuss how the quantitative views on management could be applied to address the unique challenges that online retailers experience.

Section 2.4 Key Concepts:

Quantitative Viewpoints

- *Quantitative viewpoints* emphasize the application to management of quantitative techniques, such as statistics and computer simulations.

- This field grew out of *operations research* (OR) used during World War II to effectively allocate limited military resources.

- Two branches of quantitative management are management science and operations management.

Management Science: Using Mathematics to Solve Management Problems

- *Management science,* or operations research, focuses on using mathematics to aid in problem solving, decision making, and strategic planning.

- Management science stresses the use of rational, science-based techniques and mathematical models to improve decision making and strategic planning.

Interactive Classroom Material:

EXAMPLE: Management Science: "Find Me More Music I Like!"

This Example discusses the Music Genome Project and Pandora, which essentially applies management science to music selection. The company reported in 2015 that it had 78.1 million active listeners.

Operations Management: Being More Effective

- *Operations management* focuses on managing the production and delivery of an organization's products or services more effectively.

- Operations management is concerned with work scheduling, production planning, facilities location and design, and optimum inventory levels.

Interactive Classroom Material:

EXAMPLE: Operations Management: Using "the Toyota Way" to Benefit Hospital Patients

This Example discusses "the Toyota Way" systematic approach to producing vehicles, and how this can be applied to hospitals. This includes hospital management coming up with plans to make specific, small changes that can have a major impact. This also includes ways to reduce wait times, and even wheeling patients around the facility.

2.5 Systems Viewpoint

How can the exceptional manager be helped by the systems viewpoint?

PowerPoint Slides: 27-29; 39-40

Section 2.5 discusses the systems viewpoint, one of the three contemporary perspectives. The systems viewpoint sees organizations as a system, either open or closed, with inputs, transformation processes, outputs, and feedback. The systems viewpoint has led to the development of complexity theory, the study of how order and pattern arise from very complicated, apparently chaotic systems.

One way that you could begin your coverage of these topics is to profile the decision of Sports Authority to first file bankruptcy and then decide to close all its retail locations. You could have the students watch the 1-minute *USA Today* video "Sports Authority Shutting Down With Giant Going-Out-Of-Business Sale" and/or have the students read The *Wall Street Journal* article "Sports Authority Plans to File for Bankruptcy Protection." For an in-class exercise, you could have the students apply systems theory and discuss how Sports Authority failed to be successful, even with sales of fitness apparel increasing due to the "athleisure" trend.

Possible Topics for Discussion:

- Thinking of your current or most recent employer, describe how the organization used feedback to ensure competitive advantage.

- Use systems theory to identify the most important systems parts for your university or academic institution. Specifically, describe important inputs, transformational processes, outputs, and feedback important to your school's success.

- Academic institutions are often described as being "closed" systems. How can the administration of your school seek to become a more open system?

Section 2.5 Key Concepts:

The Systems Viewpoint

- A *system* is a set of interrelated parts that operate together to achieve a common purpose.

- The *systems viewpoint* regards the organization as a system of interrelated parts.

- The organization is both: a collection of *subsystems*, parts making up the whole system, and a part of the larger environment.

The Four Parts of a System

- *Inputs* are the people, money, information, and materials required to produce an organization's goods or services.

- *Transformation processes* are the organization's capabilities in management and technology that are applied to converting inputs into outputs.

- *Outputs* are the products, services, profits, losses, employee satisfaction or discontent, and the like that are produced by the organization.

- *Feedback* is information about the reaction of the environment to the outputs that affect the inputs.

Closed versus Open Systems

- A *closed system* has little interaction with its environment; that is, it receives very little feedback from the outside.

- Any organization that ignores feedback from the environment risks failure.

- Nearly all systems are open systems rather than closed systems.

- An *open system* continually interacts with its environment.

- Open systems have the potential of producing *synergy*, which occurs when two or more forces combined create an effect that is greater than the sum of their individual effects.

Complexity Theory: The Ultimate Open System

- The systems viewpoint has led to the development of *complexity theory*, the study of how order and pattern arise from very complicated, apparently chaotic systems.

- It recognizes that complex systems are networks of interdependent parts that interact with one another according to simple rules.

- The discipline is used in management to understand how organizations adapt to their environments.

Interactive Classroom Material:

CLICK AND DRAG: The Systems Viewpoint

Summary of Activity:

The systems viewpoint sees organizations as a system, either open or closed, with inputs, outputs, transformation processes, and feedback. In this click and drag exercise, students will put the steps of the systems viewpoint process in the correct order based on a provided mini-case.

Follow-Up Activity:

Instructor should discuss the three contemporary management systems: (1) the systems, (2) the contingency, and (3) the quality-management viewpoints. Students should be called upon to discuss the mini-case activity. How did Sam apply feedback mechanisms to improve her beach concession business? Key takeaways should focus on how organizations can continue to develop by interacting with their environment.

Interactive Classroom Material:

EXAMPLE: Do Nudges Achieve Results? Using the Systems Viewpoint to Find Out

This Example discusses how small, inexpensive nudges can lead to big changes in behavior. For example, researchers sent e-mails to student loan borrowers who had missed their first payments reminding them that they had missed a payment and directed them to information about different repayment plans. The result was a four-fold increase in applications for repayment plans.

2.6 Contingency Viewpoint

In the end, is there one best way to manage in all situations?

PowerPoint Slides: 30-31

Section 2.6 describes the contingency viewpoint, which emphasizes that a manager's approach should vary according to the individual and environmental situation.

One way that you could begin your coverage of this view of management is to have the students read the *Harvard Business Review* article "The Authenticity Paradox." This article describes how leaders can learn to adapt their leadership approach to the

challenges and circumstances they face. For a supplemental activity, have the students discuss ways that they could try different leadership styles and behaviors without feeling "fake."

Article Citation:

Ibarra, H. (2015). The authenticity paradox. *Harvard Business Review, 93*(1), 52-59.

Product #: R1501C-PDF-ENG

Possible Topics for Discussion:

- Compare and contrast the contingency viewpoint with the classical viewpoint and the behavioral viewpoint described earlier in the chapter.

- Describe key contingency variables that managers should consider when determining which management approach will work best for a specific situation.

- Assume that you want to convince your current or most recent employer to allow its employees to telecommute (i.e., work from home) one day each week. Describe how you could use evidence-based management to support your proposal.

Section 2.6 Key Concepts:

Contingency Viewpoint

- The classical viewpoints assumed that their approaches were "the one best way" to manage organizations.

- The ***contingency viewpoint*** emphasizes that a manager's approach should vary according to—that is, be contingent on—the individual and environmental situation.

- The contingency viewpoint addresses problems on a case-by-case basis and varies the solution accordingly.

Interactive Classroom Material:

EXAMPLE: The Contingency Viewpoint: What Are the Best Kinds of Benefits?

This Example discusses forms of compensation other than money, such as benefits. Small businesses can offer small incentives that make a difference to employees, such as free beer or a week off for a voluntary cause. Larger organizations can also offer incentives such as having salaried employees take whatever time they feel is appropriate and enforce their own travel and expense policies.

Insights from Gary Hamel

- According to Gary Hamel of the Management Innovation Lab, management ideas are not fixed, they are a process.

- Hamel suggests that management should be innovative, and this process begins by identifying core beliefs people have about the organization.

- Discovering these core beliefs can be achieved by asking the "right" questions:

    o Is this a belief worth challenging?

    o Is this belief universally valid?

    o How does this belief serve the interests of its adherents?

    o Have our choices and assumptions conspired to make this belief self-fulfilling?

Evidence-Based Management

- *Evidence-based management* means translating principles based on best evidence into organizational practice, bringing rationality to the decision-making process.

- Managers should rely on the hard facts about what works and what doesn't rather than merely accepting conventional wisdom about management.

Interactive Classroom Material:

PRACTICAL ACTION: Evidence-Based Management: An Attitude of Wisdom

This Practical Action discusses how management theories should be developed and analyzed systematically through research. Research should follow the scientific method, a logical process, embodying four steps:

1. You observe events and gather facts.

2. You pose a possible solution or explanation based on those facts.

3. You make a prediction of future events.

4. You test the prediction under systematic conditions.

The attitude of wisdom is a mind-set that first, is willing to set aside belief and conventional wisdom and to act on the facts and, second, has an unrelenting commitment to gathering information necessary to make informed decisions and to keep pace with new evidence to update practices. Evidence-based management has three truths:

1. There are few really new ideas.

2. True is better than new.

3. Doing well usually dominates.

2.7 Quality-Management Viewpoint

Can the quality-management viewpoint offer guidelines for true managerial success?

PowerPoint Slides: 32-33

Section 2.7 describes the quality-management viewpoint. This viewpoint consists of quality control, quality assurance, and the movement of total quality management (TQM) dedicated to continuous quality improvement, training, and customer satisfaction.

One way that you could begin your coverage of these topics is to profile the quality challenges facing blood diagnostic company Theranos. Theranos' business was based on its contention that it had the ability to conduct an extensive range of laboratory tests from a few drops of blood, thus allowing patients to have less pain in providing the amount of blood needed for diagnostic testing. Once a high-flying Silicon Valley startup with a $9 billion valuation, Theranos' fortunes have changed dramatically since *The Wall Street Journal* published the article "Hot Startup Theranos Has Struggled with Its Blood-Test Technology" in October of 2015. The article questioned the firm's ability to use its technology to conduct the number of diagnostic tests it claimed to have the ability to conduct, and it also questioned the reliability of the firm's lab results. In May 2016, the firm voided two years of results from its Edison blood-testing devices, an action which was profiled in The *Wall Street Journal* article "Theranos Voids Two Years of Edison Blood-Test Results." You could also have the students watch the 6-minute CNBC video "Theranos Voids Two Years of Edison Blood-Test Results." For a supplemental activity, you could have the students discuss how more emphasis on total quality management could have helped Theranos to avoid its current woes.

Possible Topics for Discussion:

- Describe the quality control measures or TQM approaches used by your employer (or a previous one), and discuss how they impact management practices at the firm.

- Discuss how your school could apply the principles of TQM. How should an academic institution measure quality?

- Think of a recent business with which you had a bad customer experience. Discuss how the principles of TQM could be applied to improve experiences for future customers.

Section 2.7 Key Concepts:

Quality Control and Quality Assurance

- *Quality* refers to the total ability of a product or service to meet customer needs.

- ***Quality control*** is defined as the strategy for minimizing errors by managing each stage of production.

- This uses statistical sampling to locate errors by testing just some of the items in a particular production run.

- ***Quality assurance*** focuses on the performance of workers, urging employees to strive for "zero defects."

- This has been less successful because employees often have no control over the design of the work process.

Total Quality Management

- W. Edwards Deming and Joseph M. Juran were pioneers in introducing quality management to manufacturing.
    - Deming believed that quality stemmed from "constancy of purpose" along with statistical measurement and reduction of variations in the production process.
    - He also proposed the "85-15 rule"—when things go wrong, there is an 85 percent chance that the system is at fault, only a 15 percent chance that the individual worker is at fault.
    - Juran defined quality as "fitness for use" and suggested that companies should concentrate on satisfying the real needs of customers.

- ***Total quality management (TQM)*** is a comprehensive approach—led by top management and supported throughout the organization—dedicated to continuous quality improvement, training, and customer satisfaction.

- TQM has four components:
    - Make continuous improvement a priority.
    - Get every employee involved.
    - Listen to and learn from customers and employees.
    - Use accurate standards to identify and eliminate problems.

- The total quality management viewpoint emphasizes infusing concepts of quality throughout the total organization in a way that will deliver quality products and services to customers.

Interactive Classroom Material:

VIDEO CASE: New Belgium Brewery

Summary of Activity:

The third category under the contemporary perspective, the quality-management viewpoint, is dedicated to quality and consists of three aspects: quality control, quality assurance, and total quality management (TQM). In this video case, students will

watch New Belgium Brewery's use of the quality-management viewpoint to create and grow a profitable and sustainable business. After watching the video, students will respond to 10 multiple choice questions.

Follow-Up Activity:

Instructor can begin class discussion with the following two questions:

1. New Belgium Brewery employs a quality management viewpoint. Do students believe there are other viewpoints that also apply to the brewery? If so, what?

2. New Belgium Brewery exhibits total quality management. How can the organization push quality control while not micromanaging its employees? What examples of this can students point to from the video case?

SELF-ASSESSMENT 2.2

To What Extent Is Your Organization Committed to Total Quality Management?

This 16-question self-assessment will gauge students' current employers' commitment to total quality management. If students are not currently employed, they can utilize past employers or their university experience. Questions on continuous employee improvement, strategic plans, and allocation of resources are presented.

Group Exercise: Which Are the Best Companies to Work for in the United States and Why?

There is a group exercise available at the end of this manual that describes the best companies to work for.

Exercise Objectives

- To assess your group's awareness of the best companies to work for in the United States in 2015.

- To discover the different perceptions of these companies and their management practices.

2.8 The Learning Organization in an Era of Accelerated Change

Organizations must learn or perish. How do I build a learning organization?

PowerPoint Slides: 34-35

Section 2.8 describes learning organizations. Learning organizations actively create, acquire, and transfer knowledge within themselves and are able to modify their behavior to reflect new knowledge. Managers in learning organizations build a commitment to learning, work to generate ideas with impact, and work to generalize ideas.

One way that you could begin your coverage of these topics is to have the students read the *Harvard Business Review* article "Why Organizations Don't Learn." This article describes biases that hinder a firm's ability to be a learning organization and proposes strategies to overcome these biases. For a supplemental activity, you could have the students discuss the reasons why it can be hard for organizations to become learning organizations and describe what managers can do to overcome these impediments to learning.

Article Citation:

Gino, F., & Staats, B. R. (2015). Why organizations don't learn. *Harvard Business Review,* 93(11), 110-118.

Product #: R1511G-PDF-ENG

Possible Topics for Discussion:

- Discuss the reasons why more companies don't strive to truly become learning organizations.

- Critique the extent to which your manager (or a previous one) demonstrates the managerial roles and functions that foster a learning organization.

- Discuss how learning organizations would be better able to deal with the managerial challenges discussed in Chapter 1.

Section 2.8 Key Concepts:

Learning Organizations

- Organizations, like people, must continually learn new things or face obsolescence.

- A ***learning organization*** is an organization that actively creates, acquires, and transfers knowledge within itself and is able to modify its behavior to reflect new knowledge.

- Managers in learning organizations:

       o   Constantly scan their external environments for new knowledge and try to actively infuse their organizations with new ideas and information.

       o   Actively work at transferring knowledge throughout the organization, reducing barriers to sharing information and ideas.

       o   Encourage employees to use the new knowledge to change their behavior and help achieve organizational goals.

How Managers Build a Learning Organization

- To create a learning organization, managers must perform three key functions or roles: (1) build a commitment to learning, (2) work to generate ideas with impact, and (3) work to generalize ideas with impact.

       o   To build a commitment to learning, managers must lead the way by investing in learning, publicly promoting learning, and creating rewards for learning.

       o   Ideas with impact add value for customers, employees, and shareholders.

       o   To generalize ideas with impact, managers can reduce the barriers to learning by creating a psychologically safe and comforting environment that increases the sharing of successes, failures, and best practices.

Interactive Classroom Material:

CLICK AND DRAG: The Learning Organization

Summary of Activity:

A learning organization is an organization that actively creates, acquires, and transfers knowledge within itself and is able to modify its behavior to reflect new knowledge. In this click and drag exercise, students will match managers with the proper aspects of learning organizations based on the provided descriptions.

Follow-Up Activity:

Instructor should begin the discussion by asking students to define and characterize a learning organization. What are some examples of learning organizations? Students can then be put into three groups with each group representing a way to build a learning organization. Groups should come up with examples of how to do the actual "building" for the organization. These examples can include manager behaviors, rules/policies, etc. Each group can share with the class as a whole.

SELF-ASSESSMENT 2.3

Are You Working for a Learning Organization?

This 12-question self-assessment concerns the learning environment of students' places of employment. If a student is not currently employed, past employers or current university experiences can be utilized. Questions on sharing of ideas, frequency of meetings, and storage of information are presented.

CHALLENGE: MAJOR QUESTIONS

2.1 **What's the payoff in studying different management perspectives, both yesterday's and today's?**

In order to understand why present day management theories are the way they are, it is important to see their historical roots. These perspectives from yesterday indicate why there was an evolution in management thought, and the challenges that managers faced in the past, which still may be true today. Yesterday's management perspectives are not extinct, and many of their components are still in play today; however, it is important to understand why there were refinements in this science. Moreover, seeing these refinements will assist managers in evolving today's management perspectives into new ones for tomorrow.

2.2 **If the name of the game is to manage work more efficiently, what can the classical viewpoints teach me?**

The classical viewpoints portray an emphasis on ways to manage more efficiently. Scientific management described methods to improve productivity of individual workers, and administrative management was concerned with managing the total organization. The entire issue with the classical viewpoint was that it was too focused on efficiency and viewed humans as cogs within a machine, not taking into account human needs. This often meant efficiency suffered in the long run.

2.3 **To understand how people are motivated to achieve, what can I learn from the behavioral viewpoint?**

The behavioral viewpoint emphasized the importance of understanding human behavior and of motivating employees toward achievement. The behavioral viewpoint was focused on human needs and proposed that better human relations could increase worker productivity (human relations movement). In order to figure out how to motivate employees to achieve, managers need to understand their needs and fulfill them, and behavioral scientists such as Maslow provided a way to gauge this.

2.4 **If the manager's job is to solve problems, how might the two quantitative approaches help?**

The two quantitative approaches are management science and operations management. Management science focuses on using mathematics to aid in problem solving and decision making. Concepts such as analytics and Big Data fall into management science and assist in gathering data in order to solve problems. Operations management focuses on managing the production and delivery of an organization's products or services more effectively. This includes the rational management of resources and distribution of goods and services. The quantitative approaches to management ensure that managers rely on proper facts and

information when solving problems, thus avoiding barriers to effective decision making.

2.5 How can the exceptional manager be helped by the systems viewpoint?

The systems viewpoint regards the organization as a system of interrelated parts. Managers can look at the four parts of the system (inputs, transformational processes, outputs, and feedback) and allow managers to make adjustments to individual parts in order to promote efficiency and effectivity in the company. Moreover, the systems viewpoint is an open system. Open systems stress multiple feedback from both inside and outside the organization, resulting in a continuous learning process to try to correct old mistakes and avoid new ones.

2.6 In the end, is there one best way to manage in all situations?

There probably is no one best way to manage in all situations. The contingency viewpoint emphasizes that a manager's approach should vary according to the individual and environmental situation. A manager subscribing to the Gilbreth approach might try to get workers to be more productive by simplifying the steps. A manager of the Theory X/Theory Y persuasion might try to use motivational techniques. But the manager following the contingency viewpoint would simply ask, "What method is the best to use under these particular circumstances?"

2.7 Can the quality-management viewpoints offer guidelines for true managerial success?

The quality-management viewpoint includes quality control, quality assurance, and total quality management. Making sure a good or service is of superb quality is important, but total quality management is a comprehensive approach. It is led by top management and supported throughout the organization—dedicated to continuous quality improvement, training, and customer satisfaction. This includes making continuous improvement a priority, getting every employee involved, listening to and learning from customs and employees, and using accurate standards to identify and eliminate problems.

2.8 Organizations must learn or perish. How do I build a learning organization?

Managers can build a learning organization by utilizing three key functions or roles: (1) build a commitment to learning, (2) work to generate ideas with impact, and (3) work to generalize ideas with impact. First, to instill in employees an intellectual and emotional commitment to the idea of learning, managers need to lead the way by investing in it, publicly promoting it, creating rewards and symbols of it, and performing other similar activities. Second, managers need to try to generate ideas with impact—that is, ideas that add value for customers, employees, and shareholders—by increasing employee competence through training, experimenting with new ideas, and engaging in other leadership activities. Lastly, managers need to reduce the barriers to learning among employees and within their organization.

MANAGEMENT IN ACTION: Best Buy Uses Management Theories to Improve Corporate Performance

1. **To what extent is Best Buy using evidence-based management? Are they overdoing it? Explain.**

   Evidence-based management means translating principles based on best evidence into organizational practice, bringing rationality to the decision-making process. Here, Best Buy uses sales performance data to develop methods for improving in-store employee performance. Moreover, its CFO visited 75 stores to diagnose the issues and the magnitude of changes necessary to turn the company around. There isn't any evidence in the case that Best Buy is overdoing evidence-based management. The "Renew Blue" transformational program seems to be hitting its mark utilizing evidence-based management.

2. **To what extent are the managerial practices being used at Best Buy consistent with principles associated with management science and operations management techniques? Discuss.**

   Management science focuses on using mathematics to aid in problem solving and decision making, while operations management focuses on managing the production and delivery of an organization's products or services more effectively. Operations management is concerned with work scheduling, production planning, facilities location and design, and optimum inventory levels. First, Best Buy's CFO has overhauled Best Buy's IT, supply chain, and logistics. One example of this was the Renew Blue program's focus on online shipping whereas more and more products ship directly from stores to online customers. Also, there was a reinvestment into stores making their design more customer-friendly and roomier.

3. **Use Figure 2.4 to analyze the extent to which Best Buy is using a systems viewpoint.**

   Inputs: new leadership, reinvestment into facilities

   Transformational process: changes in logistics, redesign of stores, changes in work-from-home policy, changes in price policies (i.e., price-matching)

   Outputs: increased profitability, outperforming industry

   Feedback: the changes at Best Buy seem to be working and should continue

4. **How are the managerial practices being used at Best Buy consistent with a quality-management viewpoint? Explain your rationale.**

   The quality-management viewpoint includes quality control, quality assurance, and total quality management. Let's first use quality assurance as an example.

Quality assurance focuses on the performance of workers, urging employees to strive for "zero defects." One example of Best Buy utilizing quality assurance is its process of tracking important performance metrics that are then utilized to provide extra training to employees.

Another example is total quality management (TQM). Total quality management is a comprehensive approach—led by top management and supported throughout the organization—dedicated to continuous quality improvement, training, and customer satisfaction. Here, "Renew Blue" included a total transformation of Best Buy's sales methods, logistics, facilities, and employee training. All of this was focused on customer satisfaction and employee empowerment.

LEGAL/ETHICAL CHALLENGE

What Should You Do about an Insubordinate Employee?

One of your reporting managers is violating travel and expense guidelines that you have established. He is also not sending a list of employees he is recommending to lay off. This is not only insubordination, but also causing feelings of unfairness in your other reporting managers. You have not yet spoken to him about this insubordination, and now you are wondering what to do.

What would you do?

1. **Meet with Jim to review his behavior. Tell him that any more acts of insubordination will result in termination. Don't make a big deal about these events, and don't include documentation in his personnel file.**

   Meeting with Jim is of course a priority. However, since this is such an important matter related to both expense and personnel decisions, it would be a mistake not to make a big deal about the issues. Obviously, Jim is not taking the matter as seriously as it needs to be taken, and you need to make this clear to him. Including clear notes in his personnel file about this matter is important because you need to document the fact that he is not meeting expectations in case the matter continues and/or he needs to be terminated. Having documentation about these matters is always a good idea.

2. **Put Jim on the list of people to be laid off. Although the company will have to pay him a severance check, it reduces the chance of any lawsuit.**

   This will all depend on what the metrics are for laying off individuals. Here, it seems to be performance; so if Jim's behavior is indicative of a lack of performance, then this could be a possibility. However, it seems Jim's behavior would fall under the category of insubordination, which usually means you need to terminate him "for cause" instead of laying him off. If proper documentation has been kept on Jim's insubordination, there should be no fear of a lawsuit. Overall, it is important that you first meet with Jim to see why he has been insubordinate before putting him on any termination lists, whether or not for cause.

3. **Call your human resource representative and discuss the legality of firing Jim. Jim was insubordinate in hiring a consultant and irresponsible for not submitting his list of potential employees to be laid off. If human resources agrees, I would fire Jim.**

   This is a possibility due to Jim's egregious insubordination. However, this decision needs to be made after meeting with Jim to see why he was insubordinate and irresponsible. Was this an oversight (i.e., negligence) or purposeful? Also, what is Jim's track record in the past? All of this should be taken into consideration before pursuing termination.

4. **Reprimand Jim by putting him on a Performance Improvement Plan (PIP). This plan outlines specific changes Jim needs to make going forward, and it gives him a chance to make up for his poor decisions.**

   This again involves meeting with Jim to see the reasons behind his actions (or inactions). If he is being disorganized about deliverables, such as the list you needed, and/or not paying attention when you give him directives about cutting expenses, that may be something you can work with him on through a performance improvement plan. However, if you discover that Jim is purposefully being insubordinate and possibly sabotaging the team, then you may not want to provide him with a chance to make up for his behavior.

5. **Invent other options. Discuss.**

   Whatever creative options students come up with, they should include the need to first meet with Jim and discuss the matter before making any serious personnel decisions, such as a performance improvement plan or even termination.

TEXTBOOK EXAMPLES

EXAMPLE: Pages from a Game Company's Employee Guide, in Flatness Lies Greatness

This Example discusses how corporate hierarchy can lead to restrictions on an organization's ability to function efficiently. Flat organizations, defined as those with few or no levels of management (as we discuss further in Chapter 8), may allow for fewer organizational barriers between the organization and customers. Rotating leaders, who change based on each project, may also assist in "flattening" the organization.

YOUR CALL

Why do you think, then, that many organizations resist using flat structures? Do you think studying management theory could help you answer this question?

Many organizations may resist using flat structures because of the need to have multiple layers of oversight and control over daily activities. There is a belief that flatter organizations may be more efficient, but taller ones allow for greater supervision over processes. Some organizations may also believe that concepts such as rotating leaders may slow down the process as a new leader would have a learning curve each time he or she enters a project. Studying management theory would help students better understand the different types of management thought, its evolution, and best practices. This would provide insight on why some organizations choose a flatter or taller approach to organizing, as well as the benefits and challenges associated with each.

Additional Activities:

One way to build on this Example is to have the students read Valve's "Handbook for New Employees." The document profiles interesting insights into how the company operates. Consider using the following discussion questions:

Assume it is your first day of your new job at Valve and you are instructed to read the Handbook. What would be your reactions after reading the document?

Describe the advantages and disadvantages of the processes Valve uses for performance feedback and compensation.

Discuss why Valve places so much emphasis on the hiring process.

EXAMPLE: Application of Behavioral Science Approach: The Open-Plan Office—Productivity Enhancer or Productivity Killer?

This Example discusses the trend for companies to use open-plan offices, despite the fact that research shows that the approach does not always increase productivity. In today's offices, many managers and employees are in an open floorplan using communal tables. This leads to many interruptions by fellow employees, causing some employees to create "no interruption" zones. Another way to reduce interruptions is assigned seating, and not mixing introverts and extroverts so that similar emotional temperaments work together.

YOUR CALL

If about 70 percent of U.S. employees now work in open offices, yet behavioral science studies largely show they are not a productive or beneficial arrangement, why do you suppose they continue to be so prevalent? What kind of office arrangements do you think would work best and why?

This Example demonstrates the importance of a proper office layout. There may be a case to be made for open offices. The intermingling of employees with different personalities and skill sets could lead to "out-of-the-box" thinking based on conversations and debates between individuals who have different views or ways of thinking.

Students may prefer introverted or extroverted fellow workers in an open office space, depending on their own personality characteristics. Students should welcome those who are different from them to be seated with them to promote out-of-the-box thinking and the sharing of ideas between individuals with different skill sets.

Additional Activities:

One way to build on this Example is to have the students read the *Fortune* online article "The Open-Office Concept is Dead." This article from May 2016 describes how the pendulum has shifted over the decades as to how much office space should be communal versus private. There is also corresponding 1-minute video that highlights the trend toward "hybrid offices." Consider using the following discussion questions:

Provide recommendations for your employer (or a previous one) on how it could best implement the "hybrid approach" to office layout that seeks a balance between closed and open systems.

Discuss how Big Data (as described in Chapter 1) might help companies to determine the best office layout.

Do you agree that the open-office concept is dead? Defend your position.

EXAMPLE: Management Science: "Find Me More Music I Like!"

This Example discusses the Music Genome Project and Pandora, which essentially applies management science to music selection. The company reported in 2015 that it had 78.1 million active listeners.

YOUR CALL

Do you think there's any room left for experienced human decision makers who don't rely on numbers? Do you think reliance on the automated recommendation process cheats consumers out of "pleasant surprises" and new discoveries?

There is plenty of room left for human decision makers, such as disc jockeys, to make decisions. For example, Apple Music includes playlists created by "music experts." Nevertheless, reliance on automated recommendations does not have to cheat consumers out of surprises and new discoveries. Quite the opposite, recommendations for new music can occur once the automated system understands the listener's preferences. This may actually allow for new discoveries that would not have been made before automated systems. Lastly, research has shown that intuition is important when it comes to these recommendations, and this is something that will be discussed in later chapters.

Additional Activities:

One way to build on this Example is to have the students watch the *C/Net Update* video "Pandora, Spotify Spin Up New Stations." This 2-minute video from December 2015 profiles upcoming changes to streaming music, including the launch of Spotify Party and Thumbprint Radio. Consider using the following discussion questions:

If you are a regular user of Pandora or Netflix, evaluate the extent to which either firm has you pegged. In other words, do the firms accurately predict what music and films you actually like?

How do you react when a firm like Pandora or Netflix gets it "wrong" and recommends something that you dislike? Is it better for the firm's recommendations to be "sure fire hits" or allow more room for you to be positively surprised by something that you might not have selected on your own?

The *C/Net* video mentioned a few streaming companies which were ceasing operations. Discuss the reasons why it is hard to achieve competitive advantage with this type of business model.

EXAMPLE: Operations Management: Using "the Toyota Way" to Benefit Hospital Patients

This Example discusses "the Toyota Way" systematic approach to producing vehicles, and how this can be applied to hospitals. This includes hospital management coming up with plans to make specific, small changes that can have a major impact. This includes ways to reduce wait times, and even wheeling patients around the facility.

YOUR CALL

In Chapter 1, we described the problem of "efficiency versus effectiveness." Which is the focus of lean management?

Both effectiveness and efficiency are the focus of lean management. Proper operations management would lead to more efficient practices and better utilization of company resources, which in turn would make an organization more effective in accomplishing its strategic goals. However, when lean management leads to a sole focus on efficiency, as opposed to effectiveness, stakeholders may respond in a negative way. For example, if a hospital decided to reduce the number of medication conflict checks for the sake of efficiency, this may lead to an increased chance of a negative medication mix up for patients. This of course would have an adverse effect on a hospital's effectiveness.

Additional Activities:

One way to build on this Example is to have the students watch the video "Saving Sight: The Toyota Effect." This 5-minute video developed by Toyota profiles how the eye clinic at Harbor-UCLA hospital, where patients were going blind waiting months for medical services, was able to apply the principles used at Toyota to dramatically reduce its patient backlog. Consider using the following discussion questions:

Assume you are trying to implement the "Toyota Way" at a hospital or other health care provider. Discuss how you could overcome any skepticism that the "Toyota Way" could provide valuable insights in a nonmanufacturing setting.

Discuss the benefits to Toyota of using quantitative viewpoints of management to improve the firm's production process.

Thinking of your current or most recent position, provide examples of how you could apply the "Toyota Way" to improve the physical layout and/or workflow at your organization.

EXAMPLE: Do Nudges Achieve Results? Using the Systems Viewpoint to Find Out

This Example discusses how small, inexpensive nudges can lead to big changes in behavior. For example, researchers sent e-mails to student loan borrowers who had missed their first payments reminding them that they had missed a payment and directed them to information about different repayment plans. The result was a four-fold increase in applications for repayment plans.

YOUR CALL

Can you think of an idea in which you'd like to try small nudges?

Keeping track of medical appointments may be good to try small nudges on. For example, what if patients were asked to write down their own appointments instead of being given an appointment card? A study showed that this reduced the number of wasted appointments by 18 percent.

Additional Activities:

One way that you can build on this Example is to have the students watch the *CBS Sunday Morning* segment "On the Trail: Petrified Forest National Park." This 5-minute video profiles how the Petrified Forest National Park in Arizona uses nudges to encourage park visitors not to remove the petrified wood from the park. Consider using the following discussion questions:

Discuss why emphasizing the threat of a curse for removing petrified wood might have backfired for the park.

Provide recommendations on how the park could apply systems theory to reduce the amount of petrified wood being removed from the park.

The number of visitors to U.S. national parks has increased dramatically over the last several years. Discuss how the national parks could apply systems theory to ensure they operate as open systems.

EXAMPLE: The Contingency Viewpoint: What Are the Best Kinds of Benefits?

This Example discusses other forms of compensation than money, such as benefits. Small businesses can offer small incentives that make a difference to employees, such as free beer or a week off for a voluntary cause. Larger organizations can also offer incentives such as having salaried employees take whatever time they feel is appropriate and enforce their own travel and expense policies.

YOUR CALL

Considering these findings and applying a contingency approach to stimulating productivity at work, what different kinds of incentives or benefits would you offer for hourly shift workers, salaried middle managers, and work-at-home employees?

Students' responses will differ on the approaches, but some ideas may include providing hourly shift workers with a good environment to work for a sense of inclusion in the organization. This positive culture, in addition to the ability for promotion within the organization, would incentivize working for the organization. Salaried middle managers would enjoy the ability to devote time to a work/life balance through company programs aimed at health, family, and recreation. Work-at-home employees would enjoy their autonomy and the ability to be accountable for their work without micromanagement. Nevertheless, all different types of employees would value doing work that they enjoy.

Additional Activities:

One way to build on this Example is to have the students read the *Fortune* online article "L.L. Bean Gives Workers an Outdoor Adventure While on the Job" and watch the corresponding 2-minute video. The article and video describe some of the unique benefits offered by the outdoor goods retailer. Consider using the following discussion questions:

Assume that your employer (or a previous one) offered you additional days of paid time off, under the condition that you spend it with at least one of your co-workers. Is this a benefit that you would find motivating? Explain your point of view.

Critique the advantages and disadvantages of L.L. Bean's policy of giving workers additional paid time off for outdoor activities with colleagues.

What unique benefits do you feel that your employer (or a previous one) should offer but does not? How could you convince top leadership at the company that this would be a valued employee benefit?

TEXTBOOK PRACTICAL ACTIONS

PRACTICAL ACTION: Evidence-Based Management: An Attitude of Wisdom

This Practical Action discusses how management theories should be developed and analyzed systematically through research. Research should follow the scientific method, a logical process, embodying four steps:

1. You observe events and gather facts.

2. You pose a possible solution or explanation based on those facts.

3. You make a prediction of future events.

4. You test the prediction under systematic conditions.

The attitude of wisdom is a mind-set that first, is willing to set aside belief and conventional wisdom and to act on the facts and, second, has an unrelenting commitment to gathering information necessary to make informed decisions and to keep pace with new evidence to update practices. Evidence-based management has three truths:

1. There are few really new ideas.

2. True is better than new.

3. Doing well usually dominates.

YOUR CALL

Do you think managers are often driven by fads, by what they've read in the latest book or heard in the latest management seminar? Have you ever heard of a manager taking an experimental approach, as in trying out a new idea with an open mind to see what happens? How could you profit by taking an evidence-based approach to the ideas we discussed in this chapter?

Managers may embrace new ways of working with employees, but many are also content with the proven ways by which they conduct their affairs, especially the ways in which they were initially trained and that they developed while in some sort of manager training. One new way to learn a new management practice is by taking an experimental approach and seeing what happens. This happens a lot in smaller organizations or certain departments of larger organizations, in order to see if a certain management practice has a positive effect on the organization's efficiency and effectiveness.

Managers can take an evidence-based approach to the ideas learned in this chapter. Managers can challenge the status quo and see if there are more innovative ways to get the job done. Alternative ways can be studied and employee input can be gathered. One example of this is creating a new benefit for

employees in order to motivate them. Managers can see an issue that needs to be resolved (i.e., lack of motivation); pose a solution, such as a new benefit; make a prediction; and test the prediction, such as offering the benefit and seeing how it works.

Additional Activities:

One way that you could build on this Practical Action is to profile the decision of the online retailer Zappos to adopt a "holacracy," which is a management style that relies on self-management and self-organization. As discussed in the *Fortune* online article "How a Radical Shift Left Zappos Reeling" and corresponding 3-minute video, the shift has contributed to increased employee turnover, and the company fell off *Fortune's Best Companies to Work For* list for the first time in eight years. The firm's decision could be used as an illustration of how new trends in management should be subject to evidence-based management to determine their effectiveness. Consider using the following discussion questions:

Critique the decision of Zappos to introduce a holacracy. What are the anticipated advantages of such a management system?

Critique the decision of Zappos to offer severance packages to employees who decided that they don't want to work under the new system.

Assume the top leadership at your employer (or a previous one) decided the company should be changed to a holacracy. What advice would you give to the firm's top management?

SELF-ASSESSMENT 2.1

What Is Your Orientation toward Theory X/Theory Y?

This Self-Assessment is designed to reveal students' orientation as a manager—whether it tends toward Theory X or Theory Y.

Student Questions:

1. To what extent do you think your results are an accurate reflection of your beliefs about others? Are you surprised by the results?

   Student feelings will differ based on their results on the assessment. Some students may be surprised at how much they may be Theory X or Y oriented. For those who are more Theory Y motivated, they may be surprised at how much they believe employees can contribute to the workplace, whether through creativity and/or an increase in motivation. For those who are more Theory X motivated, they may be surprised at how little they trust employees and believe in close supervision.

2. As a leader of a student or work-related project team, how might your results affect your approach toward leading others? Explain.

   Student responses will differ based on their assessment results. Those with a Theory X orientation should take the approach of close supervision of team member responsibilities, the setting of clearly defined responsibilities, and the limitation of flexibility in project duties. Those with Theory Y orientation should take the approach of accountability, yet flexibility for team members to set their own goals and approaches to getting the job done.

3. If an employee doesn't seem to show ambition, can that be changed? Discuss.

   Student responses will depend on their orientation toward Theories X or Y. Those with a Theory X orientation may believe that employee ambitions, or lack of them, cannot be changed. These students may accept this lack of ambition and instead opt for close supervision and accountability. Those with a Theory Y orientation may believe that employees can be motivated to be more ambitious in getting the job done. This is because Theory Y oriented individuals believe that employees do want to do well and can be motivated without micromanagement.

Supplementary Activity:

1) Students should be put into groups based on their Self-Assessment scores. Students who scored highly should be grouped together, and students who did not score well should be grouped together.

2) Students who scored well should discuss what their organization is doing to proactively create, acquire, and transfer knowledge.

   a. What is their organization doing especially effectively?

   b. A list of organizational learning initiatives can be drafted.

3) Students who did not score highly should discuss how to better create, acquire, and transfer knowledge:

   a. What could their current organization be doing wrong?

   b. A list of recommendations can be made

4) Each group should share their lists with the class as a whole.

SELF-ASSESSMENT 2.2

To What Extent Is Your Organization Committed to Total Quality Management?

This Self-Assessment is designed to gauge the extent to which organizations students have in mind are committed to total quality management (TQM).

Student Questions:

1. Which of the five dimensions is most and least important to the organization? Are you surprised by this conclusion? Explain.

   Students' responses will vary based on the results of their assessments. Often students will be surprised to find that their company values one dimension more than the dimension the student thought would be most valued. This often occurs with processes and policy/strategy versus employees.

2. Based on the three lowest-rated items in the survey, what advice would you give to senior leaders in the company?

   Students should advise the organization to properly allocate resources, provide assistance for employees to achieve strategic resources, and reward employees for quality. This advice can be tailored based on the lowest-rated items in the survey.

3. Considering all of the questions in the survey, which three do you think are most important in terms of fostering TQM in a company? Why?

   Students' responses will differ, but should outline the concepts discussed in the response to question 2.

Supplemental Activity:

1) Students should be grouped based on their Self-Assessment scores. Each group should represent a TQM dimension. Students who scored highly on one dimension should not be in a group representing that particular dimension.

2) Students should review the following scenario:

BRS Solutions Corp. is a large telecommunications company. The organization's executives promote revenue and profitability over other measurements. Bonuses are provided for employees based only on sales numbers, and resources are allocated based on seniority with the company. Employees are tasked with getting the job done as fast as possible, and if resources can make things go faster, upper management will comply. Facilities are cleaned annually and technology is only relied on when it does not cost the organization much. Lastly, suppliers and clients are looked at as expenses and revenues, respectively.

3) Then, using their assigned dimension, students should recommend improvements that would assist BRS Solutions Corp.

4) Each group should share its recommendations with the class.

SELF-ASSESSMENT 2.3

Are You Working for a Learning Organization?

This Self-Assessment provides a measure of the extent to which an organization of a student's choice is a learning organization.

Student Questions:

1. What are the strengths and weaknesses of this company in terms of being a learning organization?

   Students should base their analyses on strengths and weaknesses associated with information acquisition, information distribution, information interpretation, knowledge integration, and organizational memory.

2. If you were CEO of this organization, what changes would you make based on your survey results? Explain.

   Student changes would be based on survey results, but should include learning from stakeholders (i.e., customers, suppliers, employees, etc.), exchanging knowledge, dialogue and reasoning, and effective retention of information.

3. What suggestions would you make for how this organization might (1) build a commitment to learning, (2) work to generate ideas with impact, and (3) work to generalize ideas with impact? Discuss.

   The manager can reduce the barriers to learning among employees and within the organization. This involves creating a psychologically safe and

comforting environment that increases the sharing of successes, failures, and best practices. This can be accomplished through increased feedback between managers and subordinates, increased group meetings within departments and among departments, and a flatter hierarchy.

4. How does the learning score for the organization probably compare with the scores of other organizations you are familiar with?

    Student answers will differ based on the learning score achieved. Students may be surprised to find that their organization focuses on certain learning dimensions instead of others.

Supplemental Activity:

1) Students should be put into groups based on their Self-Assessment scores. Students who scored highly should be grouped together and students who did not score highly should be grouped together.

2) Students who scored well should discuss what their organization is doing to proactively create, acquire and transfer knowledge. Students who did not score highly should discuss how to better create, acquire and transfer knowledge. What could their current organization be doing wrong?

3) Each group should share with the class as a whole.

GROUP EXERCISE: Which Are the Best Companies to Work for in the United States and Why?

Objectives

- To assess your group's awareness of the best companies to work for in the United States in 2015.

- To discover the different perceptions of these companies and their management practices.

Introduction

To pick their 100 Best Companies to Work For, *Fortune* partners with the Great Place to Work Institute to conduct the most extensive employee survey in corporate America. Any company that is at least five years old and has more than 1,000 U.S. employees is eligible for consideration. Companies nominated for Best Companies to Work For lists must go through an application process and are selected and ranked predominantly on the basis of employees' response to the Trust Index© Survey (2/3 of the score) which measures employee perception of the workplace. The Culture Audit©, completed by management and evaluated by an independent Great Place to Work team, accounts for approximately 1/3 of the total score. Companies receiving high scores on these assessments appear on the lists; the highest scores enjoy the highest rankings.

The 100 best companies are chosen on the basis of aggregating information from three criteria. The first is a subjective assessment of each company's policies and organizational culture. The second is an evaluation of the company based on a 57-item survey given to a random sample of at least 400 employees from each company. The survey assesses topics such as job satisfaction, camaraderie, and attitudes toward management. The third criterion is an evaluation of each company's demographic makeup and pay and benefits. Overall, each company is scored in four areas: "credibility (communication to employees), respect (opportunities and benefits), fairness (compensation, diversity), and pride/camaraderie (philanthropy, celebrations)." In this exercise, you will consider the extent to which the top 10 companies to work for in 2015 possess these characteristics.

Instructions

Four key organizational characteristics are used to rank all companies being considered as the best place to work:

- Credibility

- Respect

- Fairness

- Pride/Camaraderie

Below is a list, in random order, of the top 10 companies to work for in 2015. After forming groups, your first task is to have each individual guess these companies'

rankings based on the attributes listed above. (Number 1 is the highest ranking and number 10, the lowest.) If you do not know anything about some of these companies, we suggest that you search the Internet prior to conducting your evaluations. Next, share your rankings and come to a consensus ranking.

Here are the companies, in random order:

- Boston Consulting Group, Inc.
- Robert W. Baird & Co.
- Genentech
- Google
- SAS Institute, Inc.
- Camden Property Trust
- Wegmans Food Markets, Inc.
- Edward Jones
- Acuity
- Salesforce.com

Questions for Discussion

1. What similarities and differences do you see in management approaches across these companies?

2. What theories discussed in this chapter are being used by these companies?

3. How different was the group ranking from the individual rankings? Why do you think this occurred?

4. Why did the group order its ranking in the way that it did?

5. How close was the group ranking to *Fortune*'s? Your instructor has the results.

6. Which of these companies would each of you like to work for? Explain your rationale.

Source: "100 Best Companies to Work For 2015", *Fortune Magazine*, http://fortune.com/best-companies/

MANAGER'S HOT SEAT

No Manager's Hot Seat for this chapter.

The following video is sponsored by McGraw-Hill Education and can be found on either the Principles of Management/Organizational Behavior DVD (Volume 1), or via instructor resources on Connect:

Quick Start Job Training

Time: 2:07

Key people and companies

Georgia Quick Start Program

Kia Automotive

Overview

Companies depend on a reliable base of trained employees to function effectively. Often companies rely on public and private education to achieve a base level of general skills, and then implement more specific training programs within their facilities after individuals are hired. However, in Georgia, a local government worked with Kia Automotive to establish a quick-start training facility to provide a specific training program for this company.

This training facility cost taxpayers five and a half million dollars. However, the creation of this facility has encouraged Kia to locate its manufacturing facilities in this town, boosting the local economy. In fact, 39 new companies have opened since the establishment of this quick-training program. If this training program were not established, the town would have likely become a "ghost-town," given the exporting of textile industry jobs. Also, individuals within this town are now able to receive training necessary to acquire a stable and in-demand job. According to the video, successful government, business, and education partnerships involve governments listening to a business to see exactly what knowledge, skills, and abilities successful and competent employees need within that company. The Georgia Quick-Start Program seems to be one such example of a successful partnership.

Preparing students before the video

Ask students about the different ways in which employees in the manufacturing industry learn the skills needed to be successful on the job. What are some ways the government can facilitate this?

Major issues in the case

- Georgia Quick-Start Program
- Human resource management
- Kia Automotive

2-49

Discussion questions and answers

1. *What are the pros and cons of the government's decision to establish the Quick-Start Program from the community's perspective?*

    Cons: The community had to pay five and a half million dollars in taxes. These taxes could have been used on other investments. The increase in manufacturing jobs could create too much of a focus on that one industry at the expense of others. Community members will have few job options outside of this specific company. This partnership could give too much power to this company, which could end up taking advantage of the employees and the town itself.

    Pros: The community members have easier access to job training and subsequent jobs. The investment seems to have paid off in terms of revenue generated by the city from the opening of this manufacturing plant. This plant has also attracted other businesses and has kept the town economy viable.

2. *What are some pros and cons of this program from the business' perspective?*

    Cons: It has less control over the design and implementation of the training program. It has to abide by regional and federal laws (compared to exporting jobs).

    Pros: The business now has a constant supply of workers ready to work in its plant. It doesn't have to pay as much money for training and selection.

Chapter 2

Management Theory:
Essential Background for the Successful Manager

SELF-ASSESSMENTS

SELF-ASSESSMENT 2.1

What Is Your Orientation toward Theory X/Theory Y?

This Self-Assessment is designed to reveal students' orientation as a manager—whether it tends toward Theory X or Theory Y.

Student Questions:

1. To what extent do you think your results are an accurate reflection of your beliefs about others? Are you surprised by the results?

   Student feelings will differ based on their results on the assessment. Some students may be surprised at how much they may be Theory X or Y oriented. For those who are more Theory Y motivated, they may be surprised at how much they believe employees can contribute to the workplace, whether through creativity and/or an increase in motivation. For those who are more Theory X motivated, they may be surprised at how little they trust employees and believe in close supervision.

2. As a leader of a student or work-related project team, how might your results affect your approach toward leading others? Explain.

   Student responses will differ based on their assessment results. Those with a Theory X orientation should take the approach of close supervision of team member responsibilities, the setting of clearly defined responsibilities, and the limitation of flexibility in project duties. Those with Theory Y orientation should take the approach of accountability, yet flexibility for team members to set their own goals and approaches to getting the job done.

3. If an employee doesn't seem to show ambition, can that be changed? Discuss.

   Student responses will depend on their orientation toward Theories X or Y. Those with a Theory X orientation may believe that employee ambitions, or lack of them, cannot be changed. These students may accept this lack of ambition and instead opt for close supervision and accountability. Those with a Theory Y orientation may believe that employees can be motivated to be more ambitious in getting the job done. This is because Theory Y oriented individuals believe that employees do want to do well and can be motivated without micromanagement.

Supplementary Activity:

1) Students should be put into groups based on their Self-Assessment scores. Students who scored highly should be grouped together, and students who did not score well should be grouped together.

2) Students who scored well should discuss what their organization is doing to proactively create, acquire, and transfer knowledge.

    a. What is their organization doing especially effectively?

    b. A list of organizational learning initiatives can be drafted.

3) Students who did not score highly should discuss how to better create, acquire, and transfer knowledge:

    a. What could their current organization be doing wrong?

    b. A list of recommendations can be made

4) Each group should share their lists with the class as a whole.

SELF-ASSESSMENT 2.2

To What Extent Is Your Organization Committed to Total Quality Management?

This Self-Assessment is designed to gauge the extent to which organizations students have in mind are committed to total quality management (TQM).

Student Questions:

1. Which of the five dimensions is most and least important to the organization? Are you surprised by this conclusion? Explain.

    Students' responses will vary based on the results of their assessments. Often students will be surprised to find that their company values one dimension more than the dimension the student thought would be most valued. This often occurs with processes and policy/strategy versus employees.

2. Based on the three lowest-rated items in the survey, what advice would you give to senior leaders in the company?

    Students should advise the organization to properly allocate resources, provide assistance for employees to achieve strategic resources, and reward employees for quality. This advice can be tailored based on the lowest-rated items in the survey.

3. Considering all of the questions in the survey, which three do you think are most important in terms of fostering TQM in a company? Why?

    Students' responses will differ, but should outline the concepts discussed in the response to question 2.

Supplemental Activity:

1) Students should be grouped based on their Self-Assessment scores. Each group should represent a TQM dimension. Students who scored highly on one dimension should not be in a group representing that particular dimension.

2) Students should review the following scenario:

   BRS Solutions Corp. is a large telecommunications company. The organization's executives promote revenue and profitability over other measurements. Bonuses are provided for employees based only on sales numbers, and resources are allocated based on seniority with the company. Employees are tasked with getting the job done as fast as possible, and if resources can make things go faster, upper management will comply. Facilities are cleaned annually and technology is only relied on when it does not cost the organization much. Lastly, suppliers and clients are looked at as expenses and revenues, respectively.

3) Then, using their assigned dimension, students should recommend improvements that would assist BRS Solutions Corp.

4) Each group should share its recommendations with the class.

SELF-ASSESSMENT 2.3

Are You Working for a Learning Organization?

This Self-Assessment provides a measure of the extent to which an organization of a student's choice is a learning organization.

Student Questions:

1. What are the strengths and weaknesses of this company in terms of being a learning organization?

   Students should base their analyses on strengths and weaknesses associated with information acquisition, information distribution, information interpretation, knowledge integration, and organizational memory.

2. If you were CEO of this organization, what changes would you make based on your survey results? Explain.

   Student changes would be based on survey results, but should include learning from stakeholders (i.e., customers, suppliers, employees, etc.), exchanging knowledge, dialogue and reasoning, and effective retention of information.

3. What suggestions would you make for how this organization might (1) build a commitment to learning, (2) work to generate ideas with impact, and (3) work to generalize ideas with impact? Discuss.

   The manager can reduce the barriers to learning among employees and within the organization. This involves creating a psychologically safe and

comforting environment that increases the sharing of successes, failures, and best practices. This can be accomplished through increased feedback between managers and subordinates, increased group meetings within departments and among departments, and a flatter hierarchy.

4. How does the learning score for the organization probably compare with the scores of other organizations you are familiar with?

   Student answers will differ based on the learning score achieved. Students may be surprised to find that their organization focuses on certain learning dimensions instead of others.

Supplemental Activity:

1) Students should be put into groups based on their Self-Assessment scores. Students who scored highly should be grouped together and students who did not score highly should be grouped together.

2) Students who scored well should discuss what their organization is doing to proactively create, acquire and transfer knowledge. Students who did not score highly should discuss how to better create, acquire and transfer knowledge. What could their current organization be doing wrong?

3) Each group should share with the class as a whole.

CHAPTER 2
MANAGEMENT THEORY
Essential Background for the Successful Manager
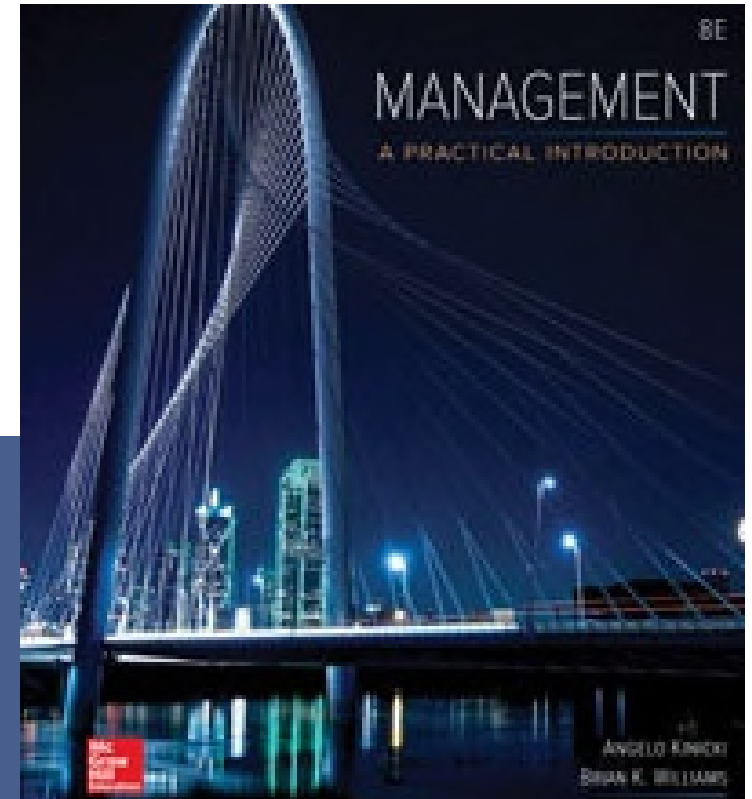
Major Questions You Should Be Able to Answer

2.1 What's the payoff in studying different management perspectives, both yesterday's and today's?

2.2 If the name of the game is to manage work more efficiently, what can the classical viewpoint teach me?

2.3 To understand how people are motivated to achieve, what can I learn from the behavioral viewpoint?

2.4 If the manager's job is to solve problems, how might the two quantitative approaches help?

2.5 How can the exceptional manager be helped by the systems viewpoint?

2.6 In the end, is there one best way to manage in all situations?

2.7 Can the quality-management viewpoint offer guidelines for true managerial success?

2.8 How do I build a learning organization?

Six Practical Reasons for Studying This Chapter

1. Understanding of the present

2. Guide to action

3. Source of new ideas

4. Clues to the meaning of your managers' decisions

5. Clues to the meaning of outside events

6. Producing positive results

The Two Overarching Perspectives: Historical and Contemporary

Figure 2.1

The Historical Perspective (1911–1950s)

Classical Viewpoint 1911–1947
Emphasis on ways to manage work more efficiently

Behavioral Viewpoint 1913–1950s
Emphasis on importance of understanding human behavior and motivating and encouraging employees toward achievement

Quantitative Viewpoint 1940s–1950s
Applies quantitative techniques to management

The Contemporary Perspective (1960s–Present)

The Systems Viewpoint
Regards the organization as systems of interrelated parts that operate together to achieve a common purpose

The Contingency Viewpoint
Emphasizes that a manager's approach should vary according to—i.e., be contingent on—the individual and environmental situation

The Quality-Management Viewpoint
Three approaches

The Historical Perspective: Three Viewpoints

Figure 2.2

The Historical Perspective (1911–1950s)

**Classical Viewpoint
1911–1947**
Emphasis on ways to manage work more efficiently

Scientific management
Emphasized scientific study of work methods to improve productivity of individual workers

Proponents:
Frederick W. Taylor

Frank and Lillian Gilbreth

Administrative management
Concerned with managing the total organization

Proponents:
Henri Fayol

Max Weber

**Behavioral Viewpoint
1913–1950s**
Emphasis on importance of understanding human behavior and motivating and encouraging employees toward achievement

Early behaviorists

Proponents:
Hugo Munsterberg

Mary Parker Follett

Elton Mayo

Human relations movement
Proposed better human relations could increase worker productivity

Proponents:
Abraham Maslow

Douglas McGregor

Behavioral science approach
Relies on scientific research for developing theory to provide practical management tools

**Quantitative Viewpoint
1940s–1950s**
Applies quantitative techniques to management

Management science
Focuses on using mathematics to aid in problem solving and decision making

Operations management
Focuses on managing the production and delivery of an organization's products or services more effectively

Jump to Appendix 2 long description

Classical Viewpoint: Scientific Management

Pioneered by Frederick W. Taylor and the Gilbreths in the early 1900s, scientific management

- – Emphasized the scientific study of work methods to improve the productivity of individual workers

Scientific Management

Taylor's principles of scientific management

1. Scientifically study each part of the task

2. Carefully select workers with the right abilities

3. Give workers the training and incentives to do the task properly

4. Use scientific principles to plan the work methods

The Gilbreths and Motion Studies

Lillian and Frank Gilbreth

1. Applied some ideas for improving efficiency to raising their 12 children

2. Identified 17 basic motions and applied them to work processes (bricklaying, for example) to determine whether the tasks could be done more efficiently

3. Demonstrated they could eliminate motions while reducing fatigue for some workers

Administrative Management – Henri Fayol

- **Administrative management**

  – Concerned with managing the total organization

- **Henri Fayol (1841-1925)**

  – French engineer and industrialist

  – First to identify the major functions of management
    - Planning
    - Organizing
    - Leading
    - Controlling
    - Coordinating

Administrative Management – Max Weber

- **Max Weber (1864-1920)**

  – German sociologist and philosopher

Believed that a **bureaucracy** was a rational, efficient, ideal organization based on the principles of logic

1. A well-defined hierarchy of authority
2. Formal rules and procedures
3. A clear division of labor
4. Impersonality
5. Careers based on merit

Why the Classical Viewpoint Is Important

- Work activity was amenable to a rational approach.

- Through the application of scientific methods, time and motion studies, and job specialization it was possible to boost productivity.

- It led to later innovations such as management by objectives, and goal setting.

The Problem with the Classical Viewpoint

- **Too mechanistic**
  - Tends to view humans as cogs within a machine, not taking into account the importance of human needs

Question

Which viewpoint emphasized the scientific study of work methods to improve the productivity of individual workers?

A.   Scientific management

B.   Administrative management

C.   Behavioral science

D.   TQM

Behavioral Viewpoint: Behaviorism, Human Relations, and Behavioral Science

- **Behavioral viewpoint**

  – Emphasized the importance of understanding human behavior and motivating employees toward achievement

  – Developed over three phases

    1. Early behaviorism

    2. The human relations movement

    3. Behavioral science

Early Behaviorism – Hugo Munsterberg

Hugo Munsterberg
(1863-1916)

Known as the Father of Industrial Psychology

1. Study jobs and determine which people are best suited to specific jobs

2. Identify the psychological conditions under which employees do their best work

3. Devise management strategies to influence employees to follow management's interests

Early Behaviorism – Mary Parker Follett

Mary Parker Follett
(1868-1933)

A social worker and social philosopher, she made very important contributions to the fields of civics and sociology.

1. Organizations should be operated as communities.

2. Conflicts should be resolved by managers and workers talking over differences and finding solutions that would satisfy both parties.

3. The work process should be controlled by workers with relevant knowledge; managers are facilitators.

Early Behaviorism – Elton Mayo

- **Elton Mayo** (1880-1949)

  – In the late 1920s, Mayo led a Harvard research group to conduct worker productivity studies at Western Electric's Hawthorne (Chicago) plant.
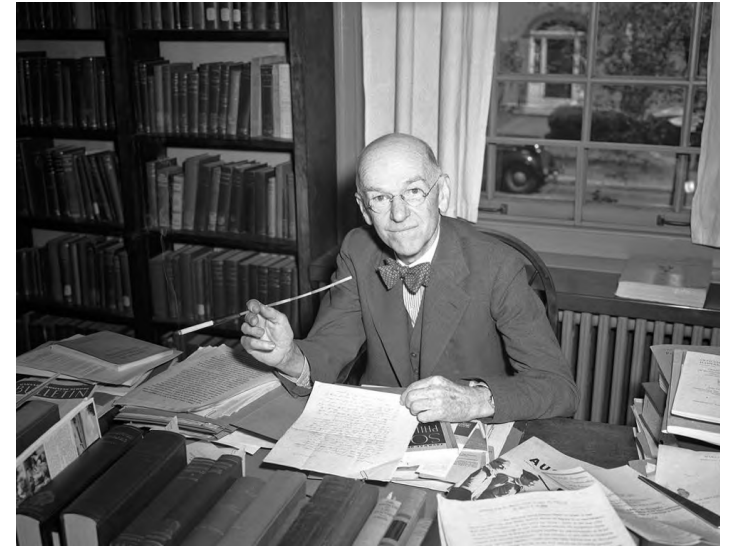
- **Hawthorne effect**

  – Employees worked harder if they received added attention, and thought that managers cared about their welfare and that supervisors paid special attention to them.

The Human Relations Movement

- **Human relations movement**

  – Proposed that better human relations could increase worker productivity

  – Pioneered by Abraham Maslow (1908-1970) and Douglas McGregor (1906-1964)

Maslow's Hierarchy of Needs

Figure 12.3
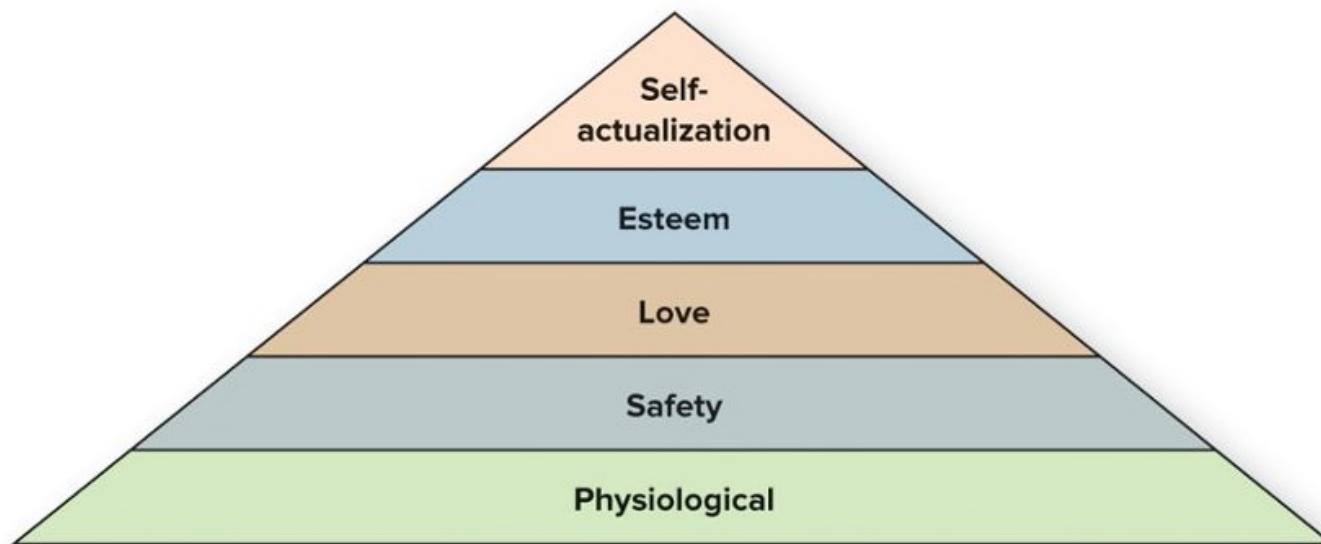
1. **Physiological need—the most basic human physical need:** Need for food, clothing, shelter, comfort, self-preservation. *Workplace example: these are covered by wages.*

2. **Safety need:** Need for physical safety, emotional security, avoidance of violence. *Workplace examples: health insurance, job security, work safety rules, pension plans satisfy this need.*

3. **Love need:** Need for love, friendship, affection. *Workplace examples: office parties, company softball teams, management retreats.*

4. **Esteem need:** Need for self-respect, status, reputation, recognition, self-confidence. *Workplace examples: bonuses, promotions, awards.*

5. **Self-actualization need—the highest level need:** Need for self-fulfillment: increasing competence, using abilities to the fullest. *Workplace example: sabbatical leave to further personal growth.*

Douglas McGregor – Theory X versus Theory Y

- **Theory X**

  – Represents a pessimistic, negative view of workers

  – Workers are irresponsible, resistant to change, lack ambition, hate work, and want to be led

- **Theory Y**

  – Represents an optimistic, positive view of workers

  – Workers are considered capable of accepting responsibility, self-direction, self control, and being creative

The Behavioral Science Approach

- **Behavioral science**

  – Relies on scientific research for developing theories about human behavior that can be used to provide practical tools for managers

  – The disciplines of behavioral science include psychology, sociology, anthropology, and economics

Question

Which viewpoint emphasized the importance of understanding human behavior and of motivating employees toward achievement?

1. Scientific management

2. Administrative management

3. Behavioral

4. TQM

Quantitative Viewpoints

- **Quantitative viewpoint**

  - Application to management of quantitative techniques, such as statistics and computer simulations

  - Includes

    1. Management science
    2. Operations management

Management Science

- **Management science**
  - Focuses on using mathematics to aid in problem solving and decision making

Operations Management

- **Operations management**

  - Focuses on managing the production and delivery of an organization's products or services more effectively

  - Concerned with work scheduling, production planning, facilities location and design, and optimum inventory levels

Question

Which viewpoint stresses the use of rational, science-based techniques and mathematical models to improve decision making and strategic planning?

A.   scientific management

B.   operations management

C.   production management

D.   management science

The Contemporary Perspective

Figure 2.3

The Contemporary Perspective (1960s–Present)

The Systems Viewpoint
Regards the organization as systems of interrelated parts that operate together to achieve a common purpose

The Contingency Viewpoint
Emphasizes that a manager's approach should vary according to—i.e., be contingent on—the individual and environmental situation

The Quality-Management Viewpoint
Three approaches

Quality control
Strategy for minimizing errors by managing each state of production

Proponent:
Walter Shewart

Quality assurance
Focuses on the performance of workers, urging employees to strive for "zero defects"

Total quality management
Comprehensive approach dedicated to continuous quality improvement, training, and customer satisfaction

Proponents:
W. Edwards Deming

Joseph M. Juran

Systems Viewpoint

Figure 2.4: The Four Parts of a System

① Inputs
The people, money, information, equipment, and materials required to produce an organization's goods or services

Example: For a jewelry designer—design, money, artistic talent, gold and silver, tools, marketing expertise

② Transformational processes
The organization's capabilities in management and technology that are applied to converting inputs into outputs

Example: Designer's management skills (planning, organizing, leading, controlling), gold and silver smithing tools and expertise, website for marketing

③ Outputs
The products, services, profits, losses, employee satisfaction or discontent, etc., produced by the organization

Example: Gold and silver rings, earrings, bracelets, etc.

④ Feedback
Information about the reaction of the environment to the outputs, which affects the inputs

Example: Web customers like African-style designs, dislike imitation Old English designs

Closed Versus Open Systems

- ## Closed systems

  - Organizations that have little interaction with their environment

- ## Open systems

  - Organizations that continually interact with their environment; have the potential to produce synergy

- ## Complexity theory – the ultimate open system

  - Recognizes that all complex systems are networks of many interdependent parts that interact with each other according to certain simple rules

Contingency Viewpoint

- **Contingency viewpoint**

  – Emphasizes that a manager's approach should vary according to – that is, *be contingent on* – the individual and the environmental situation

  – Most practical because it addresses problems on a case-by-case basis
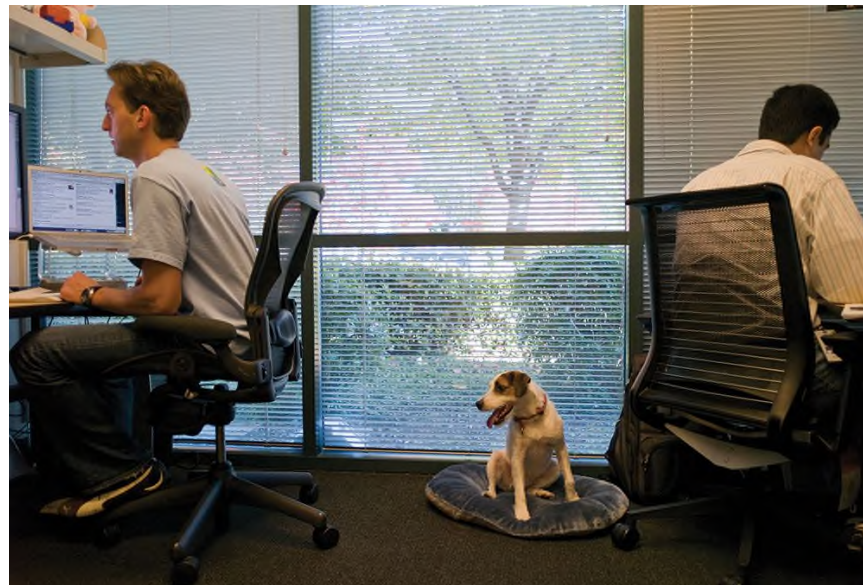
Evidence-Based Management

- **Evidence-based management**

  – Translating principles based on best evidence into organizational practice, and bringing rationality to the decision making process

  – Research should follow the scientific method

    - Observe events and gather facts
    - Pose a possible solution or explanation based on those facts
    - Make a prediction of future events
    - Test the prediction under systematic conditions

Quality-Management Viewpoint

- **Quality**

  – Total ability of a product or service to meet customer needs

- **Quality control**

  – The strategy for minimizing errors by managing each stage of production

- **Quality assurance**

  – Focuses on the performance of workers, urging employees to strive for "zero defects"

Total Quality Management (TQM)

A comprehensive approach dedicated to continuous quality improvement, training, and customer satisfaction

1. Make continuous improvement a priority.

2. Get every employee involved.

3. Listen to and learn from customers and employees.

4. Use accurate standards to identify and eliminate problems.

The Learning Organization

- **Learning organization**

  – Organization that actively creates, acquires, and transfers knowledge within itself and is able to modify its behavior to reflect new knowledge

How to Build a Learning Organization

To create a learning organization, managers must perform three key functions or roles

1. Build a commitment to learning

2. Work to generate ideas with impact

3. Work to generalize ideas with impact

Appendix 1: The Two Overarching Perspectives: Historical and Contemporary

Figure 2.1 gives a timeline of the historical and contemporary perspectives of management.

The Historical Perspective (1911 to nineteen fifties)

1911 to 1947: Classical Viewpoint. Emphasis on ways to manage work more efficiently.

1913 to nineteen fifties: Behavioral Viewpoint: Emphasis on important of understanding human behavior and motivating and encouraging employees toward achievement.

1940s to nineteen fifties : Quantitative Viewpoint. Applies quantitative techniques to management.

The Contemporary Perspective (nineteen sixties to present))

The Systems Viewpoint: Regards the organization as systems of interrelated parts that operate together to achieve a common purpose.

The Contingency Viewpoint: Emphasizes that a manager's approach should vary according to (be contingent on) the individual and environmental situation.

The Quality Management Viewpoint: Three approaches.

Appendix 2: The Historical Perspective, Three Viewpoints

The Historical Perspective, 1911 to the nineteen fifties

Classical Viewpoint, 1911 to 1947: Emphasis on ways to manage work more efficiently.

    Scientific Management: Emphasized scientific study of work methods to improve productivity of individual workers

        Proponents: Frederick W. Taylor; Frank and Lillian Gilbreth

    Administrative management: Concerned with managing the total organization

        Proponents: Henry Fayol; Max Weber

Behavioral Viewpoint, 1913 to the nineteen fifties: Emphasis on important of understanding human behavior and motivating and encouraging employees toward achievement

    Early behaviorists: Hugo Munsterberg; Mary Parker Follett; Elton Mayo

    Human relations movement: Proposed better human relations could increase worker productivity

        Proponents: Abraham Maslow; Douglas McGregor

    Behavioral science approach: Relies on scientific research for developing theory to provide practical management too.

Quantitative Viewpoint, the forties to the fifties: Applies quantitative techniques to management

    Management science: Focuses on using mathematics to aid in problem solving and decision making.

    Operations management: Focuses on managing the production and delivery of an organization's products or services more effectively

Appendix 3: Maslow's Hierarchy of Needs

The graphic is of Maslow's Hierarchy of Needs, represented with a pyramid.

At the bottom is physiological need, the most basic human physical need: The need for food, clothing, shelter, comfort, self-preservation. Workplace example: these are covered by wages.

Next level is safety need: The need for physical safety, emotional security, avoidance of violence. Workplace examples: health insurance, job security, work safety rules, pension plans satisfy this need.

Next is love need: Need for love, friendship, affection. Workplace examples: office parties, company softball teams, management retreats.

Next level going up is esteem need: Need for self-respect, status, reputation, recognition, self-confidence. Workplace examples: bonuses, promotions, awards.

The highest level is self-actualization need: Need for self-fulfillment, increasing competence, using abilities to the fullest. Workplace example: sabbatical leave for further personal growth.

Return to slide

Appendix 4: The Contemporary Perspective

Figure 2.3 gives an outline of the contemporary perspective, nineteen sixties to the present.

The Systems Viewpoint: Regards the organization as systems of interrelated parts that operate together to achieve a common purpose.

The Contingency Viewpoint: Emphasizes that a manger's approach should vary according to, or be contingent upon, the individual and environmental situation.

The Quality Management Viewpoint: Three approaches:

Quality control: Strategy for minimizing errors by managing each state of production. Proponent: Walter Shewart.

Quality assurance. Focuses on the performance of workers, urging employees to strive for zero defects.

Total quality management: Comprehensive approach dedicated to continuous quality improvement, training, and customer satisfaction. Proponents: W. Edwards Deming; Joseph M. Juran.

Appendix 5: Systems Viewpoint

Figure 2.4, The Four Parts of a System is outlined in this graphic.

Inputs	The people, money, information, equipment, and materials required to produce an organization's goods or services	Example: For a jewelry designer the inputs would be design, money, artistic talent, gold and silver, tools, marketing expertise.
Transformational processes	The organization's capabilities in management and technology that are applied to converting inputs into outputs	Example: Designer's management skills (planning, organizing, leading, controlling), gold and silver smithing tools and expertise, website for marketing
Outputs	The products, services, profits, losses, employee satisfaction or discontent, etc., produced by the organization	Example: Gold and silver rings, earrings, bracelets, etc.
Feedback	Information about the reaction of the environment to the outputs, which affects the inputs	Example: Web customers like African-style designs, dislike imitation Old English designs

Return to slide