Foundations

Lesson 1

ASSIGNMENT 1: WHAT IS MANAGEMENT?

Read this assignment. Then study Chapter 1, pages 2–24 in your textbook.

What Is Management?

You can define *management* by thinking about the primary task of managers. In a nutshell, what is management supposed to do? Here's one answer: The primary task of management is figuring out the best way to use the organization's resources to produce goods, provide services, or both. The *resources* that management uses include money (operating capital), employees who have the necessary skills, and equipment, such as machinery, desks, computers, trucks, and buildings.

Whether an organization is small or very large, it generally includes three levels of management. *Senior management* is responsible for defining the mission of an organization, setting goals, and deciding on what it takes to attain those goals. The typical roles of senior managers include the chairperson of the board, the chief executive officer (CEO), the chief financial officer (CFO), the chief operations officer (COO), and—especially in large organizations—vice presidents for different areas of operation.

Middle management is responsible for doing what it takes to further the goals set by senior management. Typically, they head up an organization's departments, such as sales, human resources, production, and so on.

Members of *supervisory management* are a bit like noncommissioned officers in a military organization. In fact, you may hear army officers comment that "sergeants run the army." Taking that as an analogy, you can say that supervisory managers are a bit like "sergeants" who make sure that actual people do what's needed to carry out the goals handed

down from middle managers. Foremen, section supervisors, crew leaders, and store managers are examples of supervisory managers. Your text discussion of supervisory managers in the J. C. Penney organization will help you sort out the different levels of management.

A good representation of the three levels of management is provided in Figure 1.1 on page 5 of your textbook. A *managerial hierarchy* is like a pyramid. Employees, who would be on the bottom of the pyramid, far outnumber supervisory management. Supervisory management outnumber middle management, who in turn outnumber senior management.

The Management Process

Managers at the different levels must perform certain *tasks,* play particular *roles,* and possess specific job-related *skills.*

Tasks. The five basic management tasks are *planning, organizing, staffing, leading,* and *controlling.* Figure 1.3 on page 7 of your text shows you the relative amount of time and emphasis placed on each of the five task functions by the three main levels of management.

Roles. During the 1970s, Henry Mintzberg identified 10 key management roles, presented on page 8 and illustrated in Figure 1.4 on page 9. Notice that the 10 roles are divided into three categories: *interpersonal, informational,* and *decisional.* For example, as an effective supervisor, Gladys Hamilton knows her workers by name, by their work habits, and maybe even by their personal interests (interpersonal role). At the same time, she keeps her people up-to-date on new policies and procedures (informational), even as she makes decisions about who should be selected for special training or some special assignment (decisional).

Skills. Management skills aren't the same things as management tasks or management roles. For example, each of the three pitchers on a baseball team may know the tasks of a pitcher and understand his role on the team. But only Stanley Trout is able to consistently strike out players on the opposing team. A skill has to do with how well a person fills his or her

role and performs its associated tasks. Three kinds of managerial skills are *conceptual, human relations,* and *technical.* You can think of these as head smarts, people smarts, and know-how. But, in fact, most managerial positions require a healthy dose of all three of these management skills.

The Management Agreement

Maybe you've heard someone say, "When one door closes, another one opens." In the corporate world, however, it can also be said that when you go through some newly opened door—perhaps one that has "District Supervisor" printed on it—that door will close behind you. In other words, moving up the organizational ladder involves trade-offs. One of those trade-offs is that you can't hang out with your employees once you ascend to a management position. Hanging out with a former workmate as "one of the gang" is over. So is taking your personal problems to work. For other activities that will be off limits as a manager, refer to pages 11–12 in your textbook. To expand your thinking about this issue, be sure to study the Case Incidents 1.1 and 1.2 on pages 12–13.

The Changing Nature of the Manager's Environment

Chapter 1 closes with a discussion of the changing nature of the managerial environment. The Internet and electronic telecommunications have made information more available. Progressive attitudes about the health and safety of the workplace are leading to new ideas about flextime, workplace childcare, and equal pay for equal work—regardless of gender. Meanwhile, beyond increasing numbers of women in the workplace, other demographic changes are happening. The average age of workers is increasing. So is ethnic diversity in the workplace. Due to a rash of horrific corporate scandals, such as the collapse of Enron and WorldCom, a new concern about business ethics has arisen. The Sarbanes-Oxley Act of 2002 requires greater transparency and accountability from senior managers. But as of 2009, the need for effective regulation of speculation and irresponsible risk taking in the financial industries has shown the need for further regulatory action.

Ethics Check

Carefully read the material under "Business Ethics" on pages 16–17. Then, study the "Ethical Management" feature on page 17. For you own benefit, write a few sentences describing the ethics of the "bug" issue. Think about this question: Will following instructions in this case conflict with your sense of ethics?

ASSIGNMENT 2: A BRIEF HISTORY OF MANAGEMENT

Read this assignment. Then study Chapter 2 on pages 26–53 in your textbook.

U.S. Industrial Revolution

The Industrial Revolution began in England in the eighteenth and nineteenth centuries. Its effects soon trickled into America—especially into New England textile mills—but America mainly remained a nation of small farmers until about 1860. By then, as the Civil War (1861–1865) loomed on the horizon, factories, railroads, roads, canals, and the telegraph were beginning to strongly differentiate the largely agrarian South from the increasingly industrialized North.

After the Civil War, especially from the 1870s onward, American industries of all kinds burgeoned, immigrants poured into North America, and the United States was busily consolidating its identity as a continental power. By 1890, the growth of powerful corporations was shaking social foundations as cities grew and *captains of industry* rose to prominence. John D. Rockefeller monopolized the oil industry, Andrew Carnegie's name became synonymous with U.S. Steel, James B. Duke became America's tobacco giant, and Cornelius Vanderbilt dominated in steamships and railroads.

Captains of industry were powerful industry magnates who dominated American business at the end of the 1800s.

As a reaction to the seemingly unrestrained power of the corporate interests, the Sherman Antitrust Act of 1890 marked a series of regulator battles between big business and the federal government. The Sherman Act was aimed

at breaking up the *trusts* (monopolies), which were seen as acting in *restraint of trade.* Today, as giant corporations like IBM, General Electric, and General Motors have become international entities, the battles continue.

Restraint of trade refers to an action or condition that tends to prevent free competition in business.

From the late nineteenth century onward, ideas about management evolved. And it's these ideas, these concepts of efficient and effective management, that are the focus of this chapter. Roughly speaking, there are three stages in this evolutionary process. Beginning in the late nineteenth century, the emphasis was on improving productivity by improving manufacturing efficiency. This was the era of *scientific management.* The next stage put more emphasis on worker motivation and humane working conditions. More recently, efficiency and worker satisfaction issues have been blended into a quest for product and service excellence.

Scientific Management and Frederick Winslow Taylor

Scientific management ideas arose through the work of management pioneers. Frederick Winslow Taylor, a mechanical engineer, observed that industrial workers failed to give 100 percent performance on the job. He used the term *soldiering* to identify employees' tendencies to do as much work as it took to keep their jobs. To address this issue, Taylor developed his model of scientific management based on four principles (pages 31–32):

1. Determining the most efficient way to perform a given task
2. Matching a worker's skills to a job through proper training
3. Designing jobs by blending scientifically selected employees and scientifically developed methods
4. Creating a division of work that encouraged the interdependence of workers and managers

Working with Taylor, Henry Lawrence Gantt developed the *Gantt chart,* which is still used to track expected production against actual production per unit of time. Meanwhile, concepts of scientific management were refined and advanced through the *time and motion studies* of Frank and Lillian Gilbreth. While Gantt argued the need for social responsibility on the part of business, the Gilbreths—especially Lillian Gilbreth—maintained that the purposes of scientific management should be to foster rather than stifle workers. In particular, she advocated the use of psychology to understand worker motivation and create job designs that fostered the interests of workers. Figure 2.1 on page 34 of your textbook, summarizes the reasons why Lillian Gilbreth is called the "First Lady of Management."

Henri Fayol, a Frenchman, developed a highly influential *theory of management,* which began to take hold in the United States during the 1940s. The theory included 14 points, which are listed on page 34 of your textbook. Today, Fayol's 14 points are still considered valid, but his primary contribution is his pioneering outline of the *functions of management.*

Fayol and Taylor agreed on the need for a scientific approach to management. Indeed, their two models can be thought of as complementary. As your textbook points out, however, "Taylor stressed the management of work, whereas Fayol emphasized the management of organization." In other words, management is a crucial factor in the success or failure of an organization.

Note: While this course is focused on business management, it can be helpful to understand that the principles of effective management apply to government agencies, nonprofit organizations, and even citizen interest groups.

The Human Relations Movement

The *human relations movement* arose with the radical changes in public awareness that attended the Great Depression of the 1930s. The effects of the Depression era evoked much greater concern for ordinary workers and workers' rights. One major effect of these concerns was the rise of organized

labor as a force to be reckoned with. To be sure, this pro-union era was marred by civil unrest and outbreaks of bloody violence. But it bore legislative fruit. Figure 2.2 on page 37 summarizes four important legislative acts that supported organized labor.

The *Hawthorne studies,* major studies that informed the human relations movement, were actually conducted in 1924—before the stock market crash of 1929. The National Research Council of the National Academy of Sciences wanted to better understand the relationship between worker productivity and workplace environments. The details about the research that defined the so-called *Hawthorne effect* are given on page 37 of your textbook. However, two findings of the Hawthorne studies (still pondered and disputed to this day) can be summarized simply:

1. Worker productivity is more strongly related to getting the attention of management than it is to specific workplace conditions, like lighting. That phenomenon is the Hawthorne effect.
2. Effective supervision has a major impact on both worker productivity and worker morale.

The remainder of Chapter 2 compares and contrasts approaches to management that arose after the Great Depression of the 1930s and World War II (1938–1945).

The Systems Approach

The *systems approach* gained prominence as managers and managerial theorists tried to work out schemes and models that integrated different management approaches and concepts. A basic assumption in systems thinking is that there are *open systems* that actively interact with their environment and *closed systems* that don't. For example a hospital must interact with patients, medical practices, and the community. A widget manufacturer may interact only with customers and have no interest in relating to other kinds of community stakeholders. A systems approach is aimed at integrating open and closed approaches, basically to the end of making an organization responsive to both its internal and external environments.

Theory X and Theory Y

In 1960, social psychologist Douglas McGregor wrote *The Human Side of Enterprise* in which he argued that there are two basically opposed management styles. *Theory X* assumes that workers don't like to work and must be controlled by authoritarian managers. *Theory Y* assumes that many, if not most, employees can be trusted to work for the interests of the organization and even seek increased responsibility. Over time, however, managerial theorists have tended to think McGregor's model too simplistic.

The Contingency Approach

The *contingency approach* was all the rage in the 1970s. Basically, it proposes that different management styles fit different kinds of situations. Different kinds of contingency theories are offered elsewhere in your text.

The Japanese Management Movement and Theory Z

Japanese management practices attracted a lot of attention as brands like Toyota, Honda, and Sony were increasingly associated with high quality and rapid gains in market share. Central features of Japanese management include encouraging employee participation and building team spirit. Managers often served more as facilitators than as top-down bosses.

Looking at Japanese management in light of McGregor's X and Y ideas, William Ouchi developed *Theory Z.* Ouchi's model aims at integrating the American ideal of individual responsibility with the Japanese ideals of collective decision making and company concern for employees' health and welfare. Theory Z is explained on page 40.

The Search for Excellence

In Search of Excellence by Thomas J. Peters and Robert H. Waterman explores the art and science of management used by leading 1980s companies with records of long-term profitability and continuing innovation. In the book, the authors propose eight characteristics of excellence, which are summarized in Figure 2.4 on page 42.

The Emphasis on Quality

The quality of American products reached a low point in the 1970s. To address that problem, companies shifted their attention toward measures that would assure high quality in products and services. The model that gained prominence, called *total quality maintenance (TQM),* focused on preventing problems, not simply catching them at the end of a production process. You'll learn more about TQM later in this course.

Moving from Good to Great

Built to Last: Successful Habits of Visionary Companies, a 1994 book by Jim Collins and Jerry Porras, focused on figuring out how build great organizations from good ones. One of their conclusions was that successful companies don't count on past successes to guarantee future success. Visionary managers are always open to new ideas and new possibilities. A few years later in 2001, Jim Collins and his colleagues harvested five years of research into the operations of a number of very successful companies—to see what made them tick. In a second book, Collins came up with the *hedgehog concept,* which refers to companies that develop a simple core concept that guides all of their future strategies.

Ethics Check

Study the "Ethical Management" feature on page 43. For your own benefit, write a few sentences describing the ethical issue here. How do you think the vice president should respond to Mary's question?

ASSIGNMENT 3: COMMUNICATION SKILLS

Read this assignment. Then study Chapter 3 on pages 54–78 in your textbook.

Communication as a Management Skill

Communication is critical to an organization. Without strong communication skills, leaders can't convey their ideas and goals, and employees can't share their ideas and concerns. Five reasons why effective communication is a vital management skill are summarized on page 56 of your text. Consider each one carefully. If you're planning to become a manager (or if you already are), you should understand why communication is vitally important to you.

Interpersonal Communication

Interpersonal communication is a process of sending and receiving verbal and nonverbal messages between individuals. To be effective, that process must be *interactive.* That is, the message that's sent must be correctly understood by the receiver of the message. If communication isn't interactive, it can become miscommunication. *Senders* must be sure that their words (and nonverbal cues) clearly communicate the intended message. Yet, even when senders are meticulous about fashioning messages, the *receivers* may interpret (decode) the words and nonverbal cues differently than the senders intended. Study Figure 3.2 on page 57 for a diagram of the interpersonal communication process.

Learning to Communicate

In addition to being able to send accurate messages, good managers must also be able to accurately receive messages. You might think you know how to listen since you've done it all your life. However, often you aren't truly listening—only hearing. Figure 3.4 on page 61 of your textbook offers five

questions you can ask yourself to determine if you're good listener. Ask yourself, "Do I really listen when someone is speaking, or am I planning what I'm going to say next, thinking about a problem I have, or concentrating on some other concern I have?"

As we've already mentioned, communication is interactive. *Feedback,* that is, a response from the receiver, is a key element in the communication process. This response may be verbal, or it may simply be a facial expression. Feedback from the receiver to the sender can help minimize miscommunication if the sender pays close attention to whether the feedback indicates a clear understanding of the message. When it doesn't, the sender must clarify the message with feedback to the receiver.

Nonverbal communication—that is, gestures, facial expressions, and body positions—plays a key role in communication. Many people are unaware of its importance because so much nonverbal communication is unconscious or subconscious. Studies show, however, that people take anywhere from 75 to 90 percent of the meaning of a conversation from nonverbal communication. Moreover, some studies have indicated that if the message in the words and in the nonverbal communication conflict, most people will believe the nonverbal, rather than the verbal! Therefore, when you communicate something to someone, you must be sure that your nonverbal communication matches your words. Otherwise your message may fall flat.

Written and Oral Communication

As a manager, you'll daily communicate information to your employees. Sometimes this communication may be presented in writing; other times, it may be given orally. Either way, you must consider your audience and make sure your message is clear and that it's understood correctly. On pages 63–65, your textbook offers some practical information for communicating orally and in writing.

Ethics Check

Study the "Ethical Management" feature on page 58. In a few sentences, explain how you would handle this issue. Should you tell your friend what happened? Who should get your loyalty here, your friend or the company? Think carefully about your answer and develop reasons for your choice.

ASSIGNMENT 4: DECISION-MAKING SKILLS

Read this assignment. Then study Chapter 4 on pages 80–108 in your textbook.

Making Decisions

Decision making is involved in every aspect of management—planning, organizing, staffing, leading, and controlling. *Decisions* are actions that select from among a number of options. And, there are always options that require decisions—even if one of the options is to do nothing at all. Even that's a decision.

You decide to wear your blue jacket. You decide on a cheeseburger with everything. Those are examples of everyday life choices. You could say they're nonmanagement decisions. On the other hand, according to Nobel laureate Herbert Simon, the *managerial decision process* involves intelligence, design, and choice. In this context, *intelligence* means gathering intelligence, or gathering information. *Design* means developing, inventing, and imagining courses of action. Finally, *choice* involves taking a selected path of action.

Decision Making versus Problem Solving

Problem solving generally involves some sort of decision making, but decision making doesn't necessarily involve problem solving. For example, as a manager, you may have to determine the production schedule for your department.

The decisions you make to establish the schedule are just part of management. They don't involve problems. However, suppose you arrive at work one day and discover that two of the machines you need for a priority job are down and the parts needed to repair them are temporarily unavailable. That's a problem. You now have some decision making to do, but it involves problem solving. Decisions become part of the problem-solving process when they have to do with deviation from a standard or desired level of performance.

The Intuitive Approach to Decision Making

According to your textbook, the *intuitive approach* to decision making involves the use of hunches and intuition. In everyday life, many people make decisions based on intuition. For example, you may decide to visit a friend because your intuition tells you she may need a shoulder to cry on. And in fact, you may be correct. On the other hand, using the intuitive approach to make management decisions may create more problems that need to be solved. As your textbook states, "Problems can occur when managers ignore available facts and rely only on feelings." Carefully study the material on pages 83–84. Pay careful attention to the five "emotional attachments" that can hurt decision makers. As a manager, make it a point to avoid these concerns.

Rational Approaches to Decision Making

Given that intuition has its limits, managers are encouraged to adopt one of two rational approaches to decision making: the *optimizing approach* or the *satisficing approach.*

The optimizing approach is, in some ways, similar to the procedure used in the scientific method. Here's an example of how this method would work in a business environment:

1. Charles, a production manager, recognizes a need to improve the performance quality of the Model A-4 DC drive motor. (He recognizes the need to make a decision.)

2. He decides that the winding shaft tolerance for the A-4 must be plus or minus .002 millimeters. (He sets his criteria.)
3. He gathers all the information he can about how to assure the desired tolerance.
4. He determines two alternatives: (1) retrain the machine lathe operators who prepare the winding shaft and (2) purchase newer model lathes.
5. Charles evaluates the alternatives with respect to cost, likely down time for training, and so on.
6. At last, he decides to requisition the newer model lathes. (He selects the best alternative.)

The optimizing approach may be just the ticket for technical problems like the one in the example. But most managerial decisions are fuzzy, and using the optimizing approach may be unrealistic. For example, decisions about encouraging employee participation or devising a marketing plan involve coping with all the whimsical and unpredictable things inherent in human behavior. In such cases, optimizing may fall short. It's hard to identify clear criteria for why people will purchase Brand X sun block or Brand Y running shoes. It's hard to weigh alternative approaches to encouraging employee participation in company decision making.

An alternative to the optimizing approach is the *satisficing approach.* Based on the understanding that the optimizing approach is often unrealistic, Herbert Simon proposed the *principle of bounded rationality.* On page 85, your textbook presents a definition of this principle. Basically, it means that human rationality is limited. Based on this principle, Simon developed certain assumptions:

1. Our knowledge of alternatives and of criteria is always limited.
2. People make decisions on the basis of biased, perceptually dangerous, and foggy ideas about the world.
3. People in actual situations employ a process Simon calls *satisficing.* That is, they don't choose the optimal alternative; instead, they choose the first alternative that reaches their level of aspiration.

4. A person's level of aspiration fluctuates along with values assigned to alternatives that come to his or her attention moment by moment.

Figure 4.1 on page 86 of your textbook presents a graphic model of the satisficing approach.

The Decision-Maker's Environment

The term *environment* generally refers to a person's surroundings. A decision-maker's environment, however, includes the expectations—real or imagined—of people or groups of people who may influence a decision-maker's choices. Needless to say, that's a broad statement. It can refer to a variety of factors like the power of a union, industry norms, a supervisor's biases, and the personalities of one's immediate peers. Figure 4.2 on page 87 sums up key factors that comprise a decision maker's environment.

Conditions for Making Decisions

Your textbook mentions three different conditions under which decisions are generally made. First is *certainty.* This situation is the ideal, because a manager knows exactly what will happen when he or she selects a particular alternative.

The second condition is *risk*. In a situation of risk, a manager understands the probable outcomes of his or her decisions. Generally a situation of risk occurs when a manager has incomplete information on which to base a decision.

The third condition is *uncertainty.* Uncertainty reigns when a manager has little or no information about a situation. Your textbook uses the weather as an example for predictable and unpredictable conditions. That's an appropriate example since the specifics of either global or local weather patterns are inherently unpredictable.

When managers must make decisions in a situation of uncertainty, they have three general approaches available to them:

1. According to the *maximax approach,* managers act as if the most desirable outcome will occur.

2. In a *maximin approach,* managers assume that some least desirable outcome will occur.
3. Finally, managers may use the *risk-averting approach* and prepare for a situation that has the least amount of variation in its outcome. A risk-averting approach is a bit like a maximin approach that relies on more planning. Figure 4.4 on page 90 summarizes possible approaches to decision making under conditions of uncertainty.

Timing the Decision

Page 91 in your textbook presents a brief discussion of the timing of decisions. It's not enough just to make a good decision; your timing must be correct as well. Snap decisions may come back to bite you, and delayed decisions may be like closing the barn door after the horses have run away.

Participation in Decision Making

Asking employees or consultants to participate in decision making may be a good idea, but you should be aware of the advantages and disadvantages of this approach. Group decision making is often better than average individual performance because groups or teams can enhance a search for innovative or creative solutions. On the other hand, groups usually take longer to reach a solution. In that light, team or group involvement in decision making may be preferable when getting it right is more important than arriving at a quick decision. Figure 4.5 on page 92 summarizes the positive and negative aspects of group or team decision making.

Barriers to Effective Decision Making

In the view of Daniel Wheeler and Irving Janis, the four primary barriers to effective decision making are complacency, defensive avoidance, panic, and deciding to decide. *Complacency* can be thought of as sleeping at the switch. Red lights flash, but no one is paying attention. *Defensive avoidance* amounts to denial. Signals denoting danger, opportunity, or responsibility-to-act are ignored or suppressed.

Defensive avoidance is like an alcoholic's denying that he has a problem. *Panic* doesn't make for sound decisions. Chickens running around with their heads chopped off are unlikely to find their heads. Finally, *deciding to decide* amounts to making a decision without adequately assessing available information—"just to get it over with."

Making Creative Decisions

Creativity refers to the development of a new idea, while *innovation* relates to the implementation of that idea. In an organization, successful managers may not be the most creative people in their departments, but they understand the need for creating an environment that encourages creativity. A five-step scheme to that end is offered on page 95 of your textbook:

1. Investigating all parts of a problem to gather the facts
2. Concentrating on solving a problem in a timely manner
3. Recognizing that accepted ways of solving a problem may not be the best ways
4. Discovering the link between a proposed solution and the actual problem
5. Verifying the solution by testing it to see if it works

For the most part, individual managers are responsible for establishing a creative environment. Some managers are naturally good at creating such an environment; others need suggestions to help them to this end. Pages 95–96 present five ways that managers can set a tone in which creativity flourishes.

In addition to these five suggestions, your textbook presents three tried and tested techniques for fostering creativity.

1. The technique of *brainstorming* was developed by Alex F. Osborne to generate creative ideas in ad agencies. Today, brainstorming is used anywhere people are in search of new ideas. The process involves presenting an idea to a group of people and asking for any and all ideas for its solution, reviewing and evaluating these ideas, and then choosing one of the alternatives.

2. The *Gordon technique* was originally designed to find creative solutions to technical problems. It differs from brainstorming in that only the one conducting the group knows what the actual problem is. For example, if the problem is reducing the frequency of customer returns in a mail-order company, group members may be presented with keywords such as "satisfaction," "quality," and "service." Ideas about these topics are generated and shared as the group leader sorts out relevant and useful ideas that apply to the actual problem.
3. In *brainwriting,* panel members write down ideas about a problem—without identifying themselves. The ideas are passed around and discussed until all panel members have a chance to participate. The expectation is that fresh and innovative ideas about solutions will emerge.

In addition to these three tools that foster creativity, your textbook presents a series of steps, or stages, that managers can use to foster creative decision making (pages 98–99). These stages don't guarantee creative decisions, but they do provide a means for approaching any decision.

Management Information Systems

Management information systems (MISs) are techniques for providing managers with up-to-date information needed for making decisions. Today, an MIS is most often in the form of electronic data processing for collecting and classifying data on things like productivity, sales, downtime, and staffing needs. Data processing isn't an MIS, however—only a helpful tool to serve an MIS.

Ethics Check

Study the "Ethical Management" feature on page 89. In a few sentences, explain why Woody's odd billing behavior is either ethical or unethical. If you were Dave, how would you handle the problem with Woody? Remember that this exercise is for your own benefit. Even though you don't have to submit it to your instructor, you should carefully consider your response. As a manager, you will definitely come across unusual problems that require a decision on your part.

Self-Check 1

At the end of each section of *Principles of Management,* you'll be asked to pause and check your understanding of what you've just read by completing a "Self-Check" exercise. Answering these questions will help you review what you've studied so far. Please complete *Self-Check 1* now.

1. Theory _____ was based on management practices used by the Japanese.

   a. M
   b. X
   c. Y
   d. Z

2. Henri Fayol was the first person to outline the

   a. principles of management.
   b. importance of the Hawthorne effect.
   c. importance of time and motion studies.
   d. systems approach.

3. Middle managers tend to be responsible for

   a. production of goods and services.
   b. major departments.
   c. developing concepts.
   d. determining corporate goals.

4. The study of the meanings of words is called

   a. perception.
   b. linguistics.
   c. interpretation.
   d. semantics.

5. The principle of bounded rationality is a formulation underlying the _____ approach.

   a. satisficing
   b. optimizing
   c. opportunistic
   d. organizational

6. Informational roles describe the activities used to maintain and develop an information network. Which one of the following is *not* an informational role?

   a. Monitor
   b. Negotiator
   c. Spokesperson
   d. Disseminator

(Continued)

Self-Check 1

Questions 7–12: Match the definition in the left-hand column below to the term it describes in the right-hand column.

_____ 7. Hedgehog concept

_____ 8. Supervisory management

_____ 9. Conceptual skills

_____ 10. Maximax approach

_____ 11. Nonverbal communication

_____ 12. Soldiering

a. An optimistic, "gambling" method for dealing with uncertainty

b. A process that includes gestures, body language, facial expressions, and gestures

c. Level of employment that includes foremen, crew leaders, and store managers

d. A method in which managers focus on simple basic principles to enhance performance

e. The tendency of employees to restrict output

f. Factors that help managers understand how different parts of a company relate to each other

Questions 13–22: Match the definition in the left-hand column below to the term it describes in the right-hand column.

_____ 13. Level of aspiration

_____ 14. Interpersonal roles

_____ 15. Intranet

_____ 16. Demographics

_____ 17. Glass ceiling

_____ 18. Grapevine

_____ 20. TQM

_____ 21. Oral communication skills

_____ 22. Perception

a. Data that includes median age, gender, income, and ethnicity

b. The ability to speak effectively in both large and small groups

c. Degree of performance one expects to attain in light of previous successes and failures

d. Informal paths of communication in an organization

e. The level in an organization above which women and minorities have difficulty rising

f. Viewing of a situation in unique ways by different people

g. A network used for and within an organization

h. A category of management roles that includes figureheads, leaders, and liaisons

i. Management of an entire organization so as to excel in all areas important to the customer

Check your answers with those on page 111.