

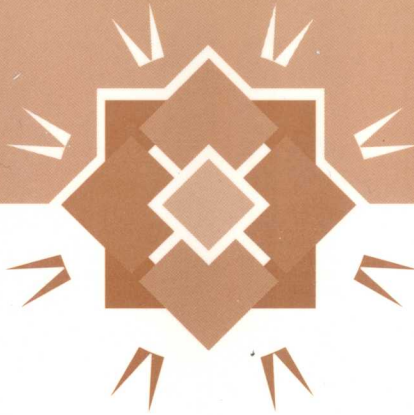
Study Guide

for use with

Management

QUALITY AND COMPETITIVENESS

SECOND EDITION



JOHN M. IVANCEVICH

•
PETER LORENZI

•
STEVEN J. SKINNER

•
WITH

PHILIP B. CROSBY

Prepared by
Kenneth R. Tillery

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30802693

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John M. Ivancevich

University of Houston

Peter Lorenzi

Loyola College in Maryland

Steven J. Skinner

University of Kentucky

Philip B. Crosby

Career IV, Inc.

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Prepared by

Kenneth R. Tillery

Middle Tennessee State University



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MANAGEMENT: QUALITY AND COMPETITIVENESS

John M. Ivancevich, Peter Lorenzi, Steven J. Skinner, Philip B. Crosby

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Preface

This study guide was prepared to accompany the **Management: Quality and Competitiveness** text by Ivancevich, Lorenzi and Skinner. It is a supplemental learning tool that should facilitate your understanding and subsequent application of the text material. The use of this study guide will help you identify the areas where you need additional help or explanation of the material.

As with most tools there are some operating instructions. Use this guide in conjunction with the text, not as a replacement or substitute. While chapter overview, key terms, and chapter outline parts can be reviewed prior to reading the text, it is strongly recommended that you use the exercise questions after you have read the associated chapter in the text. It is also suggested that you use the exercises in the order provided. Master the chapter terminology using the matching first, then move to the true - false and multiple choice questions. You should also find this guide to be a useful instrument in preparing for an examination over the text material.



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Chapter 1

THE MANAGEMENT CHALLENGE

Chapter Overview

This chapter introduces the basic concepts of management, managerial levels and roles, managers and the skills needed. Quality and competitiveness are interwoven into the traditional functions of management. Three levels of management are identified and their interrelationship is presented. The skills required by managers are presented along with the explanation as to their use and importance across the levels of management. The multiple roles managers play are identified and the interactions are discussed.

Key Terms

competitiveness

ISO 9000

organization

management

quality

zero defects

planning

organizing

leading

controlling

first-line management

middle management

top management

management level

skill

technical skill

analytical skill

decisional skill

computer skill

people skill

communication skill

conceptual skill

interpersonal roles

informational roles

decisional roles

Chapter Outline

INTRODUCTION

The changing environment of the marketplace has necessitated the extension of management beyond the traditional planning, organizing, leading and controlling. Modern managers must learn to adapt traditional tools and techniques and develop and incorporate new skills necessary to compete globally. The economic strength of a nation is tied to its managers' talents, knowledge and understandings.

COMPETITIVENESS

A nation's or an organization's competitiveness is the degree to which the specified nation or organization can, under free and fair market conditions, produce goods and services that meet the test of international markets while maintaining or expanding the real incomes of its members.

Two events impacting competitiveness as manager's move into the 21st century are: the continuation of quality as a major competitive approach; and, the changing political face of the world.

The need for managers to be responsive to global competition stimulates a more aggressive approach, which in turn carries the dangers of unethical behavior.

Competitiveness and Ethics:

The demands of greater competitiveness in the larger international market require managers to assess decisions and subsequent behaviors from an ethical base. This is particularly apparent in the intelligence gathering efforts of the firm. Ethics and competitiveness are inseparable.

Quality Standards and the Baldrige Award

Quality appears to be a competitive issue that managers must continually address. To stimulate the efforts of American organizations to meet the increasing global competition, the *Malcolm Baldrige National Quality Award* was established in 1988. The award provides a comprehensive framework for measuring businesses' quality efforts. It also serves to raise enterprise leaders' consciousness regarding quality.

ISO 9000

This is a quality standard established by the International Organization for Standardization (ISO). The European Union has set this standard as a baseline for product design and production certification. This standard is widely used in the global marketplace. Companies that do not adopt this standard run the risk of being noncompetitive in the international market. This and other standards are useful but it is the human resources of an organization/ nation that is most critical to its competitive position.

MANAGEMENT AND MANAGERS DEFINED

Managers help to plan, organize, lead and control the work of organizations through the performance of other individuals, non-managers and managers. Management is presented as a multiple-faceted concept that can be viewed as a process, people, discipline and career.

Management as a Process

Functions and work activities that managers perform to achieve an enterprise's goals.

Management as a Discipline

The accumulated body of knowledge - principles, concepts and theories about management, the study and application of which facilitates the process of managing.

Management as People

This refers to and emphasizes the importance of those who engage in the process of management. It also refers to the importance of the workers with whom managers and manage in accomplishing the organization's objectives.

Management as a Career

People who wish to have a career as a manager must study the discipline of management as a means toward practicing the process of management.

QUALITY

Multiple definitions of quality are available. For the purpose of the text and its coverage the following definition of quality will be used:

Quality is the totality of features and characteristics of a product or service that bear on the ability to satisfy stated or implied needs.

Eight Dimensions of Quality

Eight dimensions of quality are presented by D. Garvin. These dimensions allow for a wider perspective of product and service quality. (See Table 1-2, p.11)

Philip Crosby and Zero Defects

Crosby is one of the leading authorities in the area of quality. He introduced the term *zero defects*. Zero defect is an approach to improving the level of quality by making management believe that it doesn't have to accept defects. He has also constructed an approach to addressing quality process through a Quality Maturity Grid. Use of the grid provides management a guide to assess the firm's quality management profile.

THE PROCESS OF MANAGEMENT PLUS QUALITY

The process of management consists of a set of basis management functions. The expansion of each to incorporate a quality orientation is presented throughout the text.

Planning

The foundation and capstone of management activity. Planning determines an organization's objectives and establishes appropriate strategies for achieving them. This is done at every level of the organization. The other functions derive from this function.

Chapter 1: The Management Challenge

Organizing

Takes the tasks identified during planning and assigns them to individuals and groups within the organization so that objectives set by planning can be reached. The organizing provides a structure for the firm enabling it to function effectively to achieve quality goals.

Leading

This is also called directing or motivating. It involves the influencing of organization members to perform in ways that allow the accomplishment of objectives.

Controlling

Requires the establishment of standards of performance, information to gauge if standards have been met, and action to correct performance that doesn't meet standards.

Each of these functions must be learned in the context of quality improvement and maintenance.

MANAGERS

Successful managers possess certain qualities in applying skills and carrying out various managerial roles. A study by Hardridge House identified 10 such qualities regardless of age, sex, industry, organization size or corporate culture. These are:

- provides clear direction
- encourages open communication
- coaches and supports people
- provides objective recognition
- establishes ongoing controls
- selects the right people to staff the organization
- understands the financial implications of decisions
- encourages innovation and new ideas
- gives subordinates clear cut decisions when they are needed
- consistently demonstrates a high level of integrity

TYPES OF MANAGERS

Organization complexity leads to the sharing and specialization of the management process. This is visibly seen in the creation of managerial levels, which is a vertical ranking of managerial activities. Skill level requirements and skill usage varies across management levels. Managers are classified horizontally on the basis of grouped activities such as marketing, accounting, or production. These are functional positions.

First-Line Management

Responsible for the basic work of the organization; involves daily or near daily interaction with workers. Accountability is to the next level of management. Position titles include: foreman, supervisor, office manager.

Middle Management

Coordinate the work activities of a sub-unit. These managers plan, organize, lead and control other managers' activities. Accountability is to the next higher level. Position titles include: plant manager, department manager, director of operations.

Top Management

Top management is responsible for the performance of the entire organization. Accountability is to the owners of the resources used by the organization.

MANAGERIAL SKILLS

Managers across all levels must learn and develop numerous skills. A skill is an ability or proficiency in performing a particular task. The level of development and usage varies across the levels of management.

Technical Skills

The ability to use specific knowledge, techniques, and resources in performing work. These are especially important to the first-line supervisor.

Analytical Skills

An ability to diagnose and evaluate and identify key factors, understand the interrelationships and roles. Involves the use of scientific approaches such as material requirement planning, activity based cost accounting, forecasting.

Decisional Skills

Application of other skills in the selection of courses of action that resolve problems and lead to organizational accomplishment. This skill is critical to the performance of top management.

Computer Skills

Understanding of computers and how to use the computer and software to perform aspects of their work.

People Skills

Reflect a manager's leadership abilities. Requires communications skills which involve the ability to communicate in ways that other people understand and seek and use feedback from employees to assure that you are understood. Important skill in that managers must accomplish much of their work through people.

Conceptual Skills

The ability to see the big picture, the complexities of the overall organization, and how the parts fit together. This skill is critical to top management.

While all of the preceding skills are important, each one's relative importance will vary according to the level of the manager within the organization. (See Figure 1-3)

MANAGERIAL ROLES

Managers are called upon to play multiple roles, shifting frequently from role to role, within the organization on a continuing basis. A role is a behavior pattern expected of an individual within a unit or position. Work done by Mintzberg identifies 10 managerial roles. Neglecting any role hinders the manager's total progress. These 10 are grouped into 3 role categories.

Interpersonal

These roles come out of the manager's formal authority and focus on interpersonal relationships.

- figurehead - symbolic or ceremonial in nature.
- leadership - involves directing or coordinating subordinates' activities.
- liaison - involves managers in interpersonal relationships outside their area of command.

Informational

Establishes the manager as the central point for receiving and sending information.

- monitor - involves examining the environment to discover information, change, problems that may affect the unit
- disseminator - involves providing important or privileged information to subordinates
- spokesperson - the manager represents the unit to other people. This can be external or internal to the unit.

Decisional

- entrepreneur - purpose is to improve the unit
- disturbance handler - decisions or corrective action in response to pressures beyond the control of the manager
- resource allocator - decisions as to who will get what resources within the unit.
- negotiator - bargaining with other units and individuals to obtain advantage for the unit

PLAN FOR THE BOOK

Focus is provide an understanding as to how management, competition, and quality are tied together. Tools and techniques are provided to facilitate the understanding of the component parts in the quest for improving the organization's quality and competitiveness.

EXERCISES

Matching: Match each of the following terms or phrases with the correct description.

- | | |
|-----------------------|------------------------|
| a. Malcolm Baldrige | n. conformance |
| b. certainty | o. controlling |
| c. zero defects | p. ISO 9000 |
| d. quality | q. people skills |
| e. skill | r. management level |
| f. competitiveness | s. disturbance handler |
| g. foreman | t. role |
| h. resource allocator | u. conceptual skills |
| i. first line manager | v. top management |
| j. management | w. analytical skills |
| k. technical skills | x. managers |
| l. leading | y. aesthetics |
| m. Walter A. Shewart | |

___ 1. The right to act and use resources within specified limits as a result of vertical specialization of the management process.

___ 2. A quality guideline established by the International Organization for Standardization.

___ 3. One of the eight dimensions of quality identified by Garvin.

___ 4. Member of the first-line management.

___ 5. One of the decisional roles identified by Mintzberg.

___ 6. The level of management that is responsible for the performance of the entire organization through the middle managers.

___ 7. The level of management responsible for the organization's basic work and are in near daily contact with workers.

___ 8. The role managers play where managers make decisions or take correct action in response to pressure beyond their control.

___ 9. The ability to use specific approaches or techniques in solving managerial problems.

___ 10. The degree to which a nation can, under free and fair market conditions, produce goods that meet the test of international markets while also maintaining or expanding the real incomes of its citizens.

___ 11. A function of management that makes sure that the organization's actual performance conforms with the performance planned.

___ 12. A function of managers who, by directing and motivating, influence organization members to perform in ways that accomplish the organization's objectives.

___ 13. The process undertaken by one or more persons to coordinate other persons' activities to achieve high quality results not attainable by any one person acting alone.

___ 14. The individuals who guide, direct, or oversee the work or performance of other individuals.

___ 15. The ability to work with, communicate with, and understand others.

___ 16. The totality of features and characteristics of a product or service that bear on the ability to satisfy stated or implied needs.

___ 17. A behavior pattern expected of an individual within a unit or organization.

___ 18. An ability or proficiency in performing a particular task.

___ 19. A concept proposed by Philip Crosby whereby management believes that no defects are acceptable.

___ 20. The ability to use specific knowledge, techniques, and resources in performing work.

___ 21. Visualizing how each part of an organization fits and interacts together to accomplish goals.

___ 22. The highest level on Crosby's Management Maturity Grid.

___ 23. A dimension of quality that identifies a product's look, feel, taste, and smell.

___ 24. An award established by Congress in 1988 which stresses the need to pay more attention to quality of products and services produced by American firms.

___ 25. One of the earliest pioneers of the quality area.

Chapter 1: The Management Challenge

True - False: In the space provided mark "T" if you believe the statement to be true or "F" if you believe the statement to be false.

- ___ 1. As noted in the Campbell insight, American workers are reticent to speak up as many quality programs require.
- ___ 2. The study and practice of management has not move beyond a focus on planning, organizing, leading and controlling.
- ___ 3. The Malcolm Baldrige Award stresses that American managers need to pay more attention to the quality of their products and services.
- ___ 4. ISO 9000 is a quality guideline established by the International Organization for Standardization.
- ___ 5. Management as a discipline of study refers to and emphasizes the importance of the workers with whom managers work.
- ___ 6. There is a single unified definition of the concept of QUALITY.
- ___ 7. Assigning tasks to individuals and groups in order to meet objectives is part of the planning function
- ___ 8. Influencing organization members to perform in ways that accomplish the organization's objectives is the directing function.
- ___ 9. The controlling function focuses on making sure the organization stays on its planned course of action.
- ___ 10. Management level refers to the right to allocate and use resources within specified limits resulting from the vertical specialization of work.
- ___ 11. The skills required of a manager (i.e. technical, analytical, etc.) are required in the same portion across the levels of management.
- ___ 12. Figure head and liaison are among the informational roles of a manager.
- ___ 13. The negotiator role is among the decisional roles of a manager.
- ___ 14. Interpersonal, informational and decisional classifications of managerial roles evolved from the research of Henry Mintzberg.
- ___ 15. According to Mintzberg neglecting one of the 10 roles he identified does not hinder the manager's total progress.

Multiple Choice: Select the best response for each of the following questions.

1. The study and practice of management
 - a. focuses on the principles of planning, organizing, leading and controlling
 - b. focuses on the understanding of competition
 - c. focuses on the demands for better quality goods and services
 - d. focuses on all of the above.

2. The increasing competitiveness in the marketplace has necessitated the collecting of greater information about one's competition. This activity is generally referred to as "intelligence-gathering" Which of the following are descriptive of this activity?
 - a. one means of intelligence gathering is taking plant tours
 - b. such information gathering is considered unethical
 - c. most firms consider such activity a part of management's responsibility to shareholders and customers
 - d. a & c
 - e. all of the above

- 3 The Malcolm Baldrige National Award was created
 - a. to stimulate American business to attain excellence through improved and superior quality
 - b. to provide a comprehensive framework for measuring businesses' quality efforts
 - c. in Japan shortly after World War II
 - d. a & b only

4. When management is described as involving certain functions and work activities that managers' must do to achieve an enterprise's goal, the text is referring to
 - a. management as a discipline
 - b. management as people
 - c. management as a career
 - d. management as a process

5. When management is described as emphasizing the importance of the workers through whom the organization's objectives are accomplished, the text is referring to
 - a. management as a discipline
 - b. management as people
 - c. management as an organization
 - d. management as a process

Chapter 1: The Management Challenge

6. Which of the following statements about quality as presented in the text are true
 - a. quality is now viewed as a major competitive weapon
 - b. quality has multiple dimensions, one of which is serviceability
 - c. quality is the totality of features that bear on the ability to satisfy stated or implied needs of the customer
 - d. all of the above
 - e. a & c only
7. Which of the following are among the pioneers of the quality movement
 - a. Deming
 - b. Crosby
 - c. Sagikawa
 - d. Feigenbaum
 - e. all of the above
 - f. a, b & c
8. _____ activities determine an organization's objectives and establish strategies
 - a. planning
 - b. organizing
 - c. controlling.
 - d. leading
 - e. all of the above
9. _____ takes identified tasks and assigns them to individuals and groups so that the organization's objectives can be achieved
 - a. planning
 - b. organizing
 - c. controlling.
 - d. leading
 - e. all of the above
10. Planning and decisions concerning the long term direction of an organization are made by
 - a. first-line managers
 - b. middle managers
 - c. top managers
 - d. none of the above
11. As a manager progresses up the managerial hierarchy her _____ skill will play a greater role
 - a. technical
 - b. people
 - c. conceptual
 - d. computer