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Instructor's Manual
Principles of Management 6.0

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Chapter 1
Introduction to Principles of Management

Who Are Managers?

Managers are individuals responsible for overseeing and coordinating the work of others to achieve organizational goals. They play a crucial role in planning, organizing, leading, and controlling resources within a company.

Questions to Consider:

1. What are the primary responsibilities of managers?
2. How do managers contribute to achieving organizational objectives?
3. What skills and qualities are essential for effective management?
4. How do managers influence team dynamics and performance?
5. What challenges do managers face in their roles?

I. Discussion Questions

A. Psychology, Leadership, Entrepreneurship, And Strategy

1. What psychology concepts you may have learned in other classes seem most likely to help understand behavior in the workplace?

Applied psychology enables managers to understand how individuals interact with one another in various workplace settings.

2. How do you define leadership, and who would you identify as a great leader? How much does your personal experience help shape your responses to this question?

Leadership is defined as the social and informal sources of influence individuals use to inspire the actions of others. Answers to the second question will vary.

3. Have you ever had an idea for a new product or service? If so, did you pursue it? Why or why not?
Answers will vary.

4. Now that you have read this section, how is the idea of strategy similar to or different from the idea you held before this course?
Answers will vary.

5. Address the following alone or in a group. What roles do leadership, entrepreneurship, and strategy play in good principles or management? Can you be an effective organization by employing strong leadership, entrepreneurship, or strategy? Explain your answer.
The principles of management are derived from three specific areas: leadership, entrepreneurship, and strategic management. Leadership helps us understand who leads the organization forward and what the critical characteristics of good leadership might be. Entrepreneurs are fanatical about identifying opportunities and solving problems. For any organization, entrepreneurship answers big questions about "what" an organization's purpose might be. Strategic management aims to ensure that the right choices are made, specifically that a good strategy is in place, to capitalize on those significant opportunities.

B. Planning, Organizing, Leading, and Controlling

1. What are the management functions that comprise the P-O-L-C framework?
The functions are planning, organizing, leading, and controlling.

2. Imagine that you are redesigning an organization to maximize its cost effectiveness. Which of the four P-O-L-C aspects would you most focus on and why?
Answers will vary. Students should focus on the organizing function since it involves developing an organizational structure.

3. Imagine you are hoping to create a highly creative organization to invent new products and processes. In this scenario, how would you emphasize each of the P-O-L-C aspects

to best ensure you were creating an environment where ideas could thrive?

Answers will vary. Students could include the following:
Planning: Setting objectives that include an understanding of future conditions.
Organizing: Creating an organizational structure that encourages innovative thinking.
Leading: Choosing managers who are highly skilled in understanding employee motivations and providing a more laissez faire style leadership.
Controlling: Creating standards that can be adapted quickly to new programs and processes.

C. Economic, Social, and Environmental Performance

1. Why is financial performance important for organizations?

Economic performance is a crucial outcome for a firm's stakeholders, such as investors or owners, as it ultimately provides them with a return on their investment. Other stakeholders, such as the firm's employees and society at large, are also considered to benefit from such performance.

2. What are some examples of financial performance metrics?

Traditionally, the economic performance of a firm is a function of its success in producing benefits for its owners, primarily achieved through the efficient use of resources to generate some form of profit. Simply put, an organization makes a profit when its revenues exceed its costs in a given period, such as three months, six months, or a year.

3. What dimensions of performance beyond financial are included in the triple bottom line?

The triple bottom line also includes social and environmental dimensions.

4. How does CSR relate to the triple bottom line?

Corporate social responsibility (CSR) is a concept that enables organizations to consider the interests of society by taking responsibility for the impact of their activities on all stakeholders, including customers, suppliers, employees, shareholders, communities, and the environment, across all aspects of their operations.

5. Describe the pros and cons of the triple bottom line approach.

Managing a firm’s actions to achieve a triple bottom line in a way that balances all three facets of performance, economic, social, and environmental, is challenging. Advocates of CSR argue that attaining success in each type of performance is possible, and that consideration of all stakeholders should be the standard by which all firms are evaluated. Increasingly, evidence is mounting that focusing on a triple bottom line is more than being “responsible”; it’s simply good business. Critics argue that CSR detracts from the fundamental economic role of businesses; still, others say that it is an attempt to preempt the role of government as a watchdog over powerful multinational corporations.

D. Performance of Individuals and Groups

1. What is in-role performance? In your opinion, what can managers do to increase the in-role performance of employees?
It consists of tasks individuals perform in their job, and those things that add value but are not part of a formal job description. Answers to the second question will vary.

2. If reward systems do not directly recognize extra-role performance, what motivates employees to display these behaviors?
Employees exhibit extra-role behaviors (also known as organizational citizenship behaviors) to benefit the organization as a whole.

3. Can you think of any situations in which in-role and extra-role performance may not be beneficial for the work group or the organization? Provide examples.
Answers will vary. Students may mention that in-role or extra-role activities may take time away from their production of their actual work product.

4. What differentiates a team from a group? Is this distinction an important one?
A collection of people is not a team, though they may learn to function in that way. A team is a cohesive coalition of people working together to achieve the team agenda (i.e., teamwork). Being on a team is not equal to total subordination of personal agendas,

but it does require a commitment to the vision and involves each individual directly in accomplishing the team's objective. Teams differ from other types of groups in that members are focused on a joint goal or product, such as a presentation, completing in-class exercises, discussing a topic, writing a report, or creating a new design or prototype. Moreover, teams also tend to be defined by their relatively smaller size. For example, according to one definition, "A team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they are mutually accountable."

5. **Consider the definitions of different types of citizenship behaviors. Who are the targets or beneficiaries of these behaviors? Do you feel that behaviors with different beneficiaries may have different causes? Why or why not?**
Targets of these behaviors include coworkers, colleagues, subordinates, superiors, one's organization or place of work, and various groups and departments within organizations. Answers to the second question will vary.

E. Managing Preferred Learning Styles

1. **What is your preferred learning style?**
Answers will vary. Students may mention they are auditory learners, visual learners, or kinesthetic learners or some combination of more than one.

2. **Were you surprised by your preferred learning style?**
Answers will vary.

3. **What target learning issue could you use to experiment with the gauge-discover-reflect framework?**
Answers will vary.

F. Case in Point: Serious about People, Crazy about Chocolate: The Case of Tony's Chocolonely

1. **How do you think Tony's Chocolonely's origin story influences its employees?**

Tony's Chocolonely's origin story puts the emphasis on trying to fix the injustices in the cocoa industry—this likely gives employees a greater sense of purpose and motivation. This shared commitment to the company's mission creates an engaging and positive work environment.

2. **Do you believe that Tony's Chocolonely should be addressing ethical issues within the chocolate industry? Why or why not?**

   Tony's Chocolonely should be addressing these issues—it makes the company stand out and this sets a standard for the industry.

3. **How effective do you think the appointment of "mission guardians" is in preserving Tony's Chocolonely's mission and values? What are the potential drawbacks of this approach?**

   The appointment of "mission guardians" can be an effective way of preserving the company's mission and values as it grows—they probably provide a certain amount of accountability to prevent the company from deviating from their values. A potential drawback is that this could slow down decisions and limit flexibility if there are conflicts.

4. **What do you think Tony's Chocolonely means when they say they are serious about people, crazy about chocolate?**
   This phrase speaks to the company's dedication to practicing ethically and creating high-quality chocolate, appealing to customers who care about social responsibility.

5. **Reflect on the broader implications of Tony's Chocolonely's success for other companies. What lessons can they learn from its business model and ethical practices?**
   Students' answers may vary. Lessons can include how it shows that companies who take a stand can strengthen brand loyalty and also attract new customers who have the same values; and a business that builds a clear mission can inspire employees and create an energetic and dynamic company culture.

Principles of Management, v6.0

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FlatWorld

Chapter 1

Introduction to Principles of Management

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Chapter 1 Learning Objectives

1. Learn about managers and the nature of managerial work.
2. Understand the importance of psychology, leadership, entrepreneurship, and strategy within organizations.
3. Know the dimensions of management articulated in the planning-organizing-leading-controlling (P-O-L-C) framework.
4. Understand the relationship between economic, social, and environmental performance.
5. Understand how the concept of performance is understood at the individual and group levels.
6. Create your personal survivor’s guide to learning and developing principles of management.

FlatWorld

What Is Management?

Management is defined as "the art of getting things done through the efforts of other people."

Principles of management are the means by which you accomplish tasks through others—individually, in groups, or in organizations.

1.1 Who Are Managers?

Learning Objectives

- Know what is meant by the term “manager.”
- Be able to describe the types of managers.
- Understand the nature of managerial work.

Types of Managers (1 of 3)

Top Managers

- Responsible for developing the organization’s strategy and acting as a steward for its vision and mission.
- e.g., Michael Dell founded Dell after selling computers out of his dorm room as a freshman at the University of Texas

Functional Managers

- Responsible for the efficiency and effectiveness of a specific area such as accounting or marketing.
- e.g., functional managers at Kellogg’s, General Mills, and Post who manage similar but competing brands.

Supervisory Managers

- Also called team managers.
- Responsible for coordinating a subgroup of a particular division or a team composed from different parts of the organization.
- e.g., Hotel managers who preside over all aspects of a hotel.

Types of Managers (2 of 3)

Line Managers

- Also called product or service managers
- Lead a team that contributes directly to the products or services the organization creates.
- e.g., Apple, where line managers might be responsible for the production, marketing, and profitability of the Apple watch.

Staff Managers

- Leads a group that creates indirect inputs.
- e.g., the White House Chief of Staff (held by Jacob Lew among others during the Obama administration)

Types of Managers (3 of 3)

Project Managers

- Responsible for the planning, execution, and completion of projects.
- e.g., general contractors often serve as project managers in new housing construction

General Managers

- Responsible for managing a clearly identifiable, revenue producing unit, such as a store, business unit, or product line.
- e.g., Michael Scott, general manager of the Scranton branch of Dunder Mifflin in the TV series *The Office*.

The Nature of Managerial Work

- Planning
- Organizing
- Leading
- Controlling

Changing Roles of Managers

Traditional

- Top managers ensure the organization's competitiveness and lower-level mangers' and employees' job security.
- Lower-level managers and employees implement top management's strategy with loyalty and obedience.

Contemporary

- Empowered lower-level managers and employees are responsible for the organization's competitiveness and their own development.
- Top management support personnel develop and ensure employability.

Ten Managerial Roles

Interpersonal
- Figurehead, Leader, Liaison
- Provides information
- Accepts feedback

Informational
- Monitor, Disseminator, Spokesperson
- Processes information
- Provides feedback

Decisional
- Entrepreneur, Disturbance Handler, Resources Allocator, Negotiator
- Uses information
- Provides feedback

1.1 Discussion

Why do organizations need managers? Can you imagine an organization without managers? What are some different types of managers and how do they differ? What types of managers do you prefer to work for personally

Reflect on Mintzberg’s ten managerial roles. What are they? Which have you personally held? Which seem easier and which seem harder for individuals to do effectively?

Imagine you are designing a new restaurant or retail store. Which managerial roles do you think you’ll need in this new management position? What friends would you want to hit or avoid hiring and why? Are any jobs less important, or are they all important at different times?

What four managerial functions are the focus of principles of management? Think of an effective organization you know about in some depth as either an employee or a customer. Do you think they do a good job in all four of these managerial functions? Why or why not?

1.2 Learning Objectives

1. Know the roles and importance of psychology, leadership, entrepreneurship, and strategic management (strategy) in principles of management.
2. Understand how psychology, leadership, entrepreneurship, and strategy are interrelated.

Academic Fields Relevant to Management

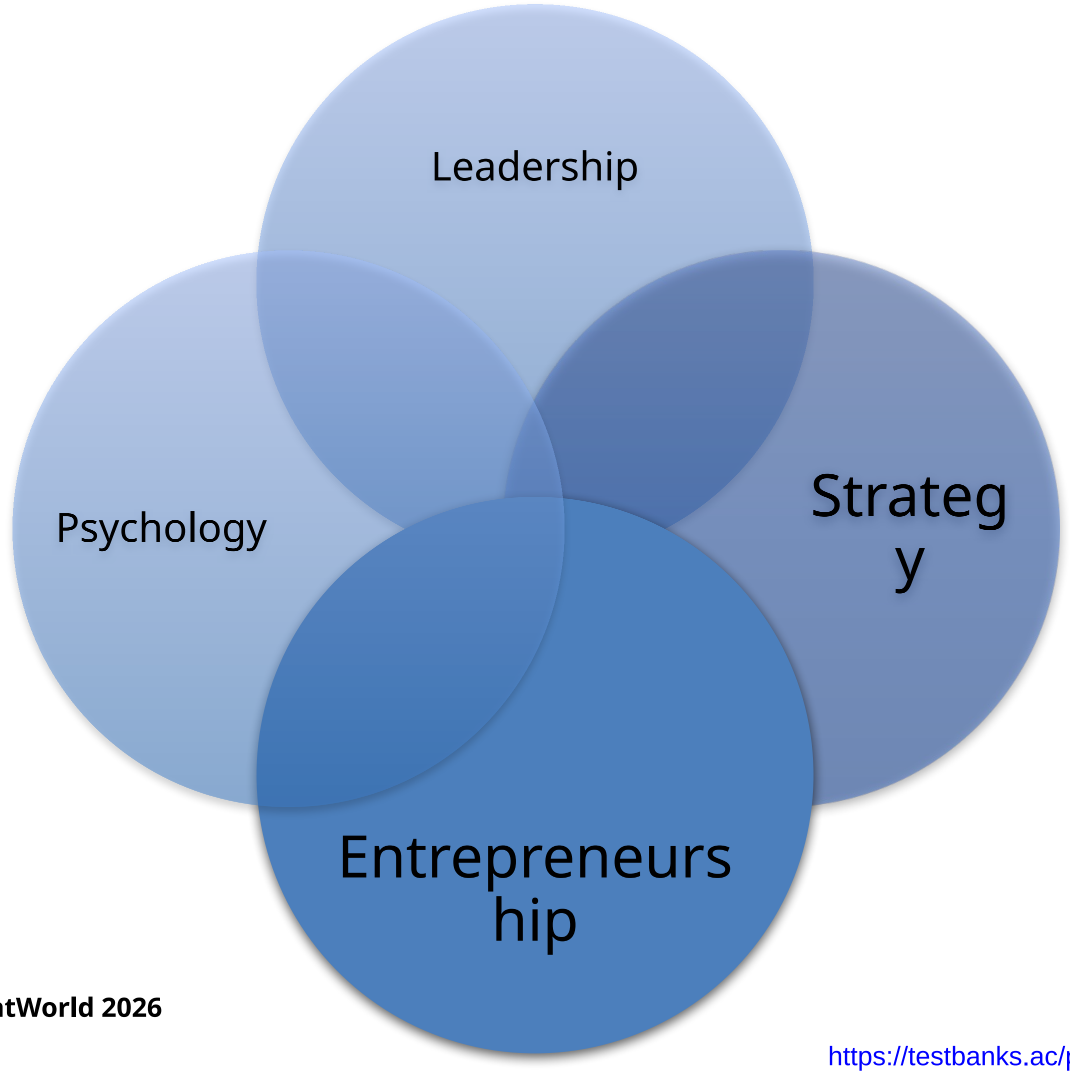
🕮 Academic Fields Relevant to Management: Psychology

- **Psychology** refers to the study of how individuals act and behave as individuals and in groups in different situations.
  - The field of management draws from applied psychology to learn how individuals interact with each other in various workplace settings.

Academic Fields Relevant to Management: Leadership

- Increasingly, we live in a world where good management requires good leaders and good leadership.
    - Leadership involves actions taken to mobilize others to want to struggle toward a common goal.
    - Leadership also includes an understanding of when, where and how to use more formal sources of authority and power, such as position or ownership.

Academic Fields Relevant to Management: Entrepreneurship



- **Entrepreneurship** is defined as the recognition of opportunities (needs, wants, problems, and challenges) and the use or creation of resources to implement innovative ideas for new, thoughtfully planned ventures.
  - Entrepreneurs must be effective leaders who are able to convert ideas into action.

Academic Fields Relevant to Management: Strategy

- **Strategy** is defined as the central, integrated, externally-oriented concept of how an organization will achieve its objectives.
- Strategic management is the body of knowledge that answers questions surrounding how firms differ, and how those differences impact firm performance over time.

1.2 Discussion

What psychology concepts you may have learned in other classes seem most likely to help understand behavior in the workplace?

How do you define leadership, and who would you identify as a great leader? How much does your personal experience help shape your responses to this question?

Have you ever had an idea for a new product or service? If so, did you pursue it? Why or why not?

Now that you have read this section, how is the idea of strategy similar to or different from the idea you held before this course?

Address the following alone or in a group. What roles do leadership, entrepreneurship, and strategy play in good principles of management? Can you be an effective organization by employing strong leadership, entrepreneurship, or strategy? Explain your answer.

1.3 Learning Objectives

1. Know the dimensions of the planning-organizing-leading-controlling (P-O-L-C) framework.
2. Understand the importance of each P-O-L-C dimension.

Functions of Management: The P-O-L-C Framework

Planning

- Involves setting objectives and determining a course of action for achieving those objectives.

Organizing

- Involves developing an organizational structure and allocating human resources to ensure the completion of objectives, often through the design of individual jobs within the organization.

Leading

- Involves social and informal sources of influence used to inspire others to take action utilizing knowledge of personalities, values, attitudes, and emotions.

Controlling

- Involves ensuring that managerial actions do not deviate from standards by creating processes and procedures that ensure consistent behavior.

🕮 The P-O-L-C Framework

Planning, Organizing, Leading, and Controlling—equips managers with a practical lens for understanding managerial functions and applying them to real-world situations.

- **Planning** involves setting objectives and determining the best course of action, which students can apply by creating strategic outlines for team projects.
- **Organizing** requires structuring resources and tasks, allowing students to design workflows or delegate roles within group activities.
- Leading emphasizes influencing and motivating team members, providing a basis for applying leadership theories in simulations or class discussions.
- **Controlling** involves evaluating performance and making adjustments, which students can practice by setting benchmarks and using feedback to revise plans.

1.3 Discussion

What are the management functions that comprise the P-O-L-C framework?

Imagine that you are redesigning an organization to maximize its cost effectiveness. Which of the four P-O-L-C aspects would you most focus on and why?

Imagine you are hoping to create a highly creative organization to invent new products and processes. In this scenario, how would you emphasize each of the P-O-L-C aspects to best ensure you were creating an environment where ideas could thrive?

1.4 Learning Objectives

1. Define economic, social, and environmental performance.
2. Understand how economic performance is related to social and environmental performance.

The “Triple Bottom Line”

- The triple bottom line emphasizes the three Ps: people (social concerns), planet (environmental concerns), and profits (economic concerns).

Companies like Patagonia show their commitment to such practices by working to become certified Benefit Corporations also known as B Corps.

The "Triple Bottom Line" (continued)

1. People (Social Impact)

- Focus on employee well-being, community engagement, and equitable practices
- Example: Fair wages, diversity, safe working environments

2. Planet (Environmental Impact)

- Emphasizes sustainable practices and reducing ecological footprints
- Example: Renewable energy use, waste reduction, green supply chains

3. Profit (Economic Impact)

- Traditional financial performance and value creation
- Example: Revenue growth, cost savings, long-term shareholder value

Economic Performance

- A function of a firm's success in producing benefits for its owner
  - Accomplished through product innovation and efficient use of resources
  - The end goal is the production of profit

Social and Environmental Performance

- Corporate Social Responsibility (CSR): corporations consider the interests of society, assume responsibility for the impact of their activities.
  - Warby Parker exemplifies a venture based on social goals by donating a pair of glasses for every pair purchased
- Cosmetics retailer The Body Shop and StarKist Seafood Company (a strategic business unit of Heinz Food) both undertook environmental strategies, but only the former succeeded.

Source: Shutterstock.com

1.4 Discussion

Why is financial performance important for organizations?

What are some examples of financial performance metrics?

What dimensions of performance beyond financial are included in the triple bottom line?

How does CSR relate to the triple bottom line?

Describe the pros and cons of the triple bottom line approach.

1.5 Learning Objectives

1. Understand the key dimensions of individual-level performance.
2. Understand the key dimensions of group-level performance.
3. Know why individual- and group-level performance goals need to be compatible.

🕮 Individual-Level Performance

In-Role Performance

- The things you have to do as part of your job and its job description.
- Individuals are recruited, selected, and hired to take responsibility for fulfilling the job description.

Extra-Role Performance

- Additional “extras” that add value but which are not part of the formal job description
- Organizational Citizenship Behaviors (OCBs)

Individual-Level Performance (1 of 3)

Helping behaviors:

- Altruism: acting voluntarily to help others.
  - Instructing new hires, helping coworkers with backlogs
  - Interpersonal: assisting coworkers when needed.
  - Courtesy: facilitating problem prevention with kind gestures and words.
    - Consulting with superiors and coworkers before moving ahead with a project
  - Peacemaking: mitigating or preventing unconstructive interpersonal conflict.
  - Cheerleading: encouraging and affirming coworkers.

Individual-Level Performance (2 of 3)

- Sportsmanship: tolerating inconveniences without grievance.
- Organizational Loyalty: obeying organizational leadership above parochial interests.
- Representative Behavior: serving the interests of the organization as a whole.
- Organizational Compliance: accepting the necessity of rules and regulations.
  - Attending work punctually, completing tasks in a timely fashion

Individual-Level Performance (3 of 3)

- Individual Initiative: going beyond minimal levels of internal maintenance
- Civic Virtue: constructive involvement in the politics of the organization
- Self-Development: voluntarily improving one’s own skill and knowledge base

Group-Level Performance

- Focuses on the outcomes and processes of collections of individuals or groups.
- In some cases, individuals can work on their own agendas in the context of a group.

Group Versus Team

Group

- Collection of individuals
- The performance of a group consists of the inputs of the group minus any process loss that result in the final output

Team

- Small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they are mutually accountable.

1.5 Discussion

What is in-role performance? In your opinion, what can managers do to increase in-role performance of employees?

If extra-role performance is not directly recognized by reward systems, what motivates employees to display these behaviors?

Can you think of any situations in which in-role and extra-role performance may not be beneficial for the work group or the organization? Provide examples.

What differentiates a team from a group? Is this distinction an important one?

Consider the definitions of different types of citizenship behaviors. Who are the targets or beneficiaries of these behaviors? Do you feel

1.6 Learning Objectives

1. Know your preferred learning style.
2. Know how to match your preferred style to the circumstances.
3. Use the gauge-discover-reflect framework.
4. Learn about journaling as a tool.

Preferred Learning Styles

The best outcomes come with those learning and those teaching tap into as many learning styles as possible. We provide some learning recommendations to cover all three types of preferred learning styles below.

Visual Learners

- Draw pictures and diagrams
- Take careful notes during class
- Summarize key points using charts

Auditory Learners

- Join study groups to discuss ideas
- Write down any oral instructions right away
- Take recordings of lectures

Kinesthetic Learners

- Schedule homework and study sessions to include breaks
- Avoid scheduling long classes with too much sitting still

Note-taking and flash cards seem to help with all three preferred learning styles.

The Importance Preferred Learning Styles

Why It's Important:

1. Enhances Training Effectiveness

Tailoring instruction to learning styles improves comprehension and retention

Leads to faster skill acquisition and fewer knowledge gaps

2. Boosts Employee Engagement

Learners feel more valued and motivated when their preferences are recognized

Increases participation and satisfaction during learning initiatives

3. Supports Diversity & Inclusion

Acknowledging different learning styles respects cognitive diversity

Fosters a more inclusive and equitable learning environment

4. Improves Team Performance

- Better-trained employees contribute more confidently and collaboratively
- Learning customization can be used in team development and onboarding

5. Promotes Continuous Learning Culture

- Adaptive managers model lifelong learning
- Encourages employees to take ownership of their development

The Importance Preferred Learning Styles (continued)

Why It’s Important (continued):

4. Improves Team Performance

Better-trained employees contribute more confidently and collaboratively

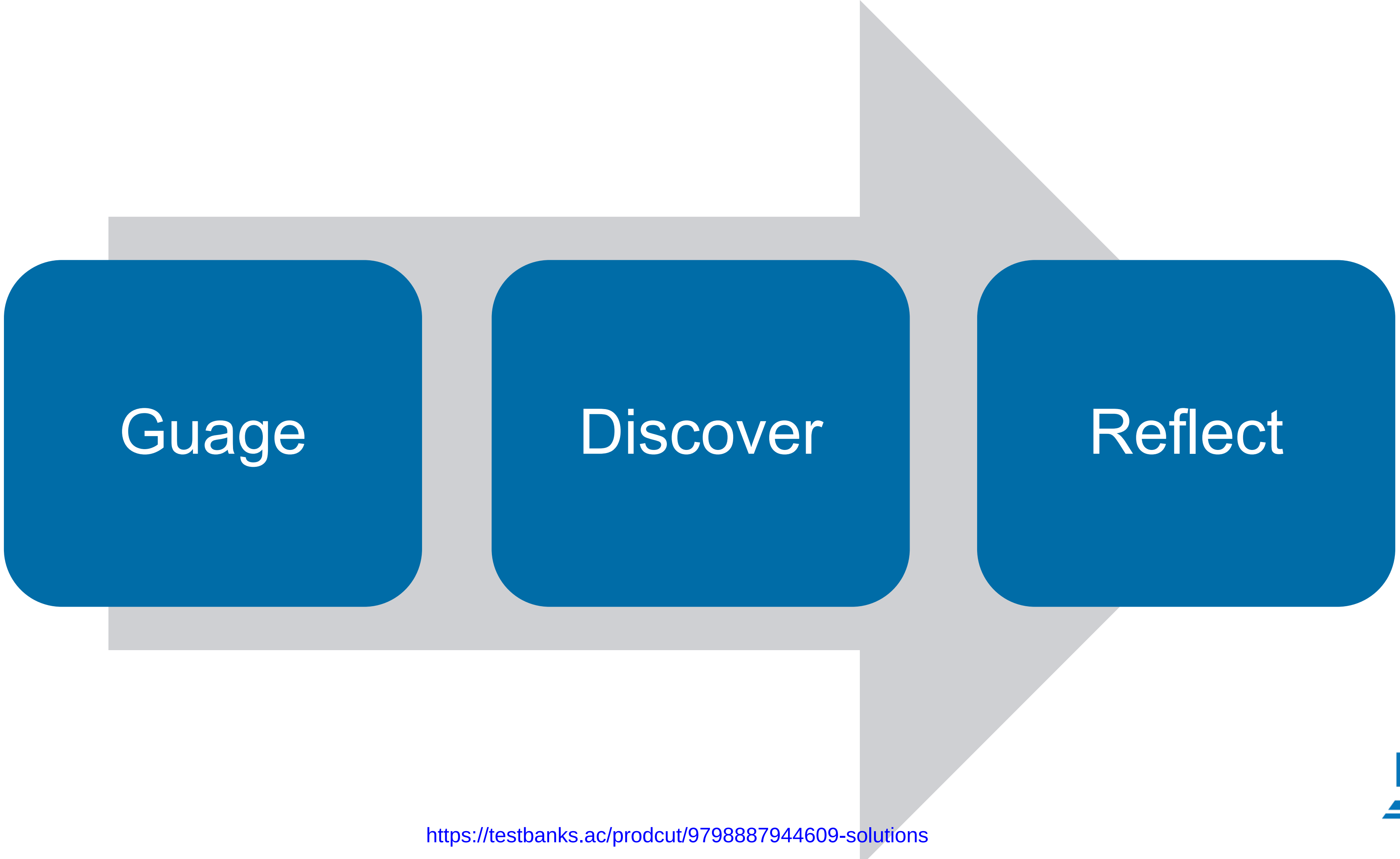
Learning customization can be used in team development and onboarding

5. Promotes Continuous Learning Culture

Adaptive managers model lifelong learning

Encourages employees to take ownership of their development

Path to Personal Development



The Importance of Personal Development

1. Increases Self-Awareness

Helps identify strengths, weaknesses, and values

Fosters better decision-making and emotional intelligence

2. Enhances Career Growth

Builds leadership, communication, and time-management skills

Prepares individuals for new opportunities and responsibilities

3. Boosts Confidence & Motivation

Achieving personal goals reinforces self-efficacy

Promotes a proactive mindset toward challenges

4. Improves Adaptability

- Encourages learning and growth in dynamic environments
- Strengthens resilience in the face of change

5. Fosters Life Satisfaction

- Aligns personal values with actions
- Cultivates a greater sense of purpose and fulfillment

The Importance of Personal Development (continued)

4. Improves Adaptability

Encourages learning and growth in dynamic environments

Strengthens resilience in the face of change

5. Fosters Life Satisfaction

Aligns personal values with actions

Cultivates a greater sense of purpose and fulfillment

🕮 Journaling

Research suggests that one way to document personal learning and achievement regarding goals is to chronicle progress in some form of journal.

- Challenge yourself and think more creatively and deeply
- Include your reactions along with facts and events
- Reflect on the day, week, or even the year
- Reflect on events
- Look for conclusions
- Take time to review what you wrote

1.6 Discussion

What is your preferred learning style?

Were you surprised by your preferred learning style?

What target learning issue could you use to experiment with the gauge-discover-reflect framework?