



Case Projects - Suggested Solutions

Chapter 1: The changing world of management

Case Project 1.1

- a. Adam exhibits the liaison role by coordinating information between production, sales and suppliers. He also exhibits the leader role by using communication and influence to build rapport and team strength.
- b. Adam exhibits the resource allocator role by setting priorities and developing schedules for production. He also exhibits the negotiator role by representing the department when coordinating with sales and suppliers.
- c. Conceptual, human and technical skills. First line managers exercise conceptual skills when they coordinate with other stakeholders, human skills when they motivate subordinates, and technical skills when they provide technical assistance.
- d. Adam plans when he sets priorities. He organises when he coordinates with other departments and when he develops schedules. He leads when he motivates his team. He would exercise control when he checked production output with the schedule.

Case Project 1.2

The outsourcing of jobs will lowered the cost of performing these business functions for Bonds. This enables firms to achieve the same organisational goal, Information Technology or Customer Service, with fewer financial resources. As Jacobs indicated, the move will also allow Australian staff to focus on work which is high in value for the company, with many of the routine, transactional tasks being done off shore. This may allow Bonds to not only remain competitive in their current markets but are also better positioned to expand into new international markets. However, there are some disadvantages to outsourcing these tasks. First, Bonds is relinquishing control of some of their customer services processes to a third party. This may result in some challenges in ensuring quality interactions, and it may also take a longer time to identify problems and solve them. Second, Bonds will have to ensure that the

Samson: Management 5e_Case Project Suggested Solutions

third party complies with Australian laws, particularly with respect to privacy. Third, the negative press associated with outsourcing Australian jobs to other countries may damage the company's reputation in the short term.

Chapter 2: The evolution of management thinking

Case Project 2.1

a. Alice's management style reflects a belief in Theory Y. She shows this by assuming her staff will exercise self-direction, self-control, imagination and creativity in their work. This has been confirmed by Amber's self-directed exploration into new business opportunities.

b. Alice adopts the human resources perspective of management. The human resources perspective suggests jobs should be designed to meet higher-level needs for employees to achieve their full potential, whereas the human relations perspective focuses on basic needs.

c. Crack Pepper Industries employ an open system because it interacts with the external environment in looking for new business opportunities. Alice can improve team outputs by increasing synergy. Synergy is the concept that the whole is greater than the parts.

d. These viewpoints relate to the applicability of management principles. The case view holds that every situation is unique, thus there are no universal principles. Conversely, the Universalist view believes that the same management principles will work across every situation in every organisation. The contingency view is an integration of these two, i.e., while there are no universal principles, there are common patterns and characteristics. The manager's task is to identify what principles will work when, based on an analysis of key contingencies.

Case Project 2.2

Like many mass production plants, the Ford Motor Company has adopted the principles of Scientific Management to maximise the efficiency and effectiveness of the production line. Taylor's Scientific Management focused on the use of standardised methods and training supported by appropriate compensation and strict supervision. The goal of Scientific Management is to ensure that each and every worker is an efficient machine. Henry Ford adopted Taylor's principles, but added an automated production line, which put further pressure on workers to maintain the pace and quality of production. And whilst this approach did create very efficient systems of production, it had very negative impacts on workers, who were bored with their narrow jobs; suffered from repetitive strain injuries; were under the strict control of management; and ultimately deskilled workers, weakening the working class.

Samson: Management 5e_Case Project Suggested Solutions

In contrast to scientific management's focus on rationality and efficiency, the humanistic perspective instead emphasised understanding human behaviours, needs and attitudes, and social processes. The Hawthorne Experiments were the impetus for the human relations movement which was concerned with satisfying employee's basic needs to increase productivity. In contrast the human resources perspective emphasised job design to empower workers to reach their full potential and satisfy their higher-level needs.

The behavioural science and management science perspectives while humanistic also incorporate elements of scientific management. The behavioural science perspective draws upon economics, psychology and sociology, amongst other disciplines, to understand employee behaviour and interaction in order to improve organisational outcomes. Alternatively, management science employs mathematics, statistics and other quantitative techniques to solve management problems.

Chapter 3: The environment and corporate culture

Case Project 3.1

a. Students may identify many different factors for any of the potential members of the EU however some of the general environment factors will be more relevant than others. As both countries will be members of the EU, international factors such as currency exchange rates will be the same. Similarly, technological factors will not play a significant role in wine sales. However the legal-political, socio-cultural and economic factors may differ between your chosen countries. Legal-political factors you may want to consider is the legal drinking age or taxes on alcohol imports. Socio-cultural factors that may play a role could include whether the country is a beer or wine drinking culture. For example, the market for wine may be larger in France than in Germany. Also, considering this is a premium wine is there a large enough upper or middle class demographic that would be able to afford this option? This socio-cultural factor is also tied to economic factors in the general environment. Considering the current Eurozone economic crisis which countries are in a better economic position? Would this have an impact on their citizen's available income for luxury goods?

b. While there are many options to explore as potential export opportunities your chosen country should reflect some of the below.

- Legal-political factors such as low tariffs or excise on alcohol.
- Socio-cultural factors such as the country having a wine drinking culture and a large, wealthier demographic that can afford premium wines.
- Economic factors such as the availability of disposable income by individuals to afford luxury goods.

Case Project 3.2

There major problem at Vacuums R Us is a lack of alignment between the values of the company, which were engrained in workers over many years, and the current values and practices being put forward by the new CEO. When the two brothers were in charge, the value proposition of the company centred on respect for and loyalty to customers, and building strong bonds with purchasers. Under the new CEO, this value proposition has changed – now the focus is on increasing sales at any cost, including coercing vulnerable members of the public into buying the vacuums. This lack of value congruence is a change in workers attitudes towards the organisation and their job. Workers are less satisfied with their work, less committed to the organisation and are leaving the organisation.

Samson: Management 5e_Case Project Suggested Solutions

The new CEO should articulate a vision for the organisational culture that is believable and exciting. He should also back this up in his day-to-day activities by making use of symbols, ceremonies and slogans to match the new values.

Chapter 4: Managing in a global environment

Case Project 4.1

- a. Amy and Ryan's company is currently in the domestic stage because they are domestically oriented and only just starting to consider international expansion.
- b. Ryan is attempting to maintain and perhaps solidify the company's domestic stage of development.
- c. Amy is attempting to develop the company into the international stage because she is considering a multi-domestic approach.
- d. The company would still achieve the multi-domestic stage of development because international sales do not represent a significant proportion of revenue.

Case Project 4.2

- a. The Australian firm would commit direct investment with a domestic partner to share the risks and costs involved in the new venture. Saudi Arabia may also have restrictions for international investment that requires the engagement of a domestic partner.
- b. The Australian firm may need to consider differences in local infrastructure for airport management. For example how many passengers per day is the airport capable of servicing? What about aircraft? They should also consider exchange rates, inflation and economic growth to determine the projects viability.
- c. The firm needs to consider political risk and stability. They also need to consider differences in laws and regulations such as those that influence employment and competition; however the local partner will assist in this process.
- d. Managers will be most successful in foreign assignments if they are culturally flexible and if they can easily adapt to new situations. Thus, the two personal challenges that exist for global managers are overcoming ethnocentric tendencies and culture shock. Ethnocentrism is a cultural attitude marked by the tendency to regard one's own culture as superior to others. Culture shock refers to the frustration and stress that result from continually being exposed to new and different situations. Proper training and preparation of incoming global managers is crucial.

Case Project 4.3

a. Most managers in foreign assignments face a period of homesickness, loneliness and culture shock from being suddenly immersed in a culture with completely different languages, foods, values, beliefs and ways of doing things. Culture shock refers to the frustration and anxiety that result from constantly being subjected to strange and unfamiliar cues about what to do and how to do it. Even simple, daily events can become sources of stress: Shopping; religious holidays and practises; communication infrastructure (and so on....).

b. The best way to prepare Stuart is to develop his cultural intelligence. Cultural intelligence (CQ) refers to a person's ability to use reasoning and observation skills to interpret unfamiliar gestures and situations and devise appropriate behavioural responses.

Chapter 5: Ethics, social responsibility and sustainable development

Case Project 5.1

Is it ethical to pay a bribe? Well, it ultimately depends on your ethical frame of reference. An utilitarianist would argue that Veronica's choice is ethical if it produces the greatest good for the greatest number. So, by paying the bribe, the farmers sell their wheat, Veronica's employer gets the contract and consumers in Eastern Europe secure high quality grain. Using the individualism approach, Veronica could argue that paying the bribe is ethical, because her long term interests are being promoted – she secures the contract and this will likely help her get a promotion in the future. Under the moral rights approach, ethical decisions are those that best maintain the fundamental rights of people that are affected by them – so it could be argued that an ethical decision is one that allows fair and free trade – therefore the decision to pay the bribe may be viewed as unethical. Similarly, a decision to pay a bribe might be viewed as unethical under the justice approach, which argues that decisions must be based on standards of equity, fairness and impartiality. However, under the practical approach, Veronica might argue that the decision is ethical, because it is how business is generally conducted in these countries.

Case Project 5.2

- a. John fulfils this responsibility in that he always tries to maximise the efficiency of resource use, thereby making his laboratory as cost-effective as possible.
- b. John fulfils this responsibility in that he always follows the legal framework that governs his workplace, for example the test-subjects in medical experiments.
- c. John fulfils this responsibility in that he ensures that his human test-subjects identities remain confidential at all times, thereby respecting their right to privacy.
- d. Although he is not obligated to do so, John fulfils this responsibility by donating his time and experience to potential graduates at his old university.

Case Project 5.3

Samson: Management 5e_Case Project Suggested Solutions

- a. They can substantially assist in delivering the business a long-term strategy and satisfy a variety of stakeholders at a higher level than would otherwise be the case.
- b. There is no single set of sustainable development practices because every firm has a unique business strategy. However the three generic strategic requirements that should be considered are: (1) stakeholder support, (2) efficiency and (3) market edge.
- c. Firms may engage in sustainable development when it is strategically congruent to do so and when it integrated with other business practices. Considering that the petroleum company is concerned that exploitation may damage their brand image perhaps the current strategies and practices the company adopts may best be supported by future sustainable development practices.