MANAGEMENT 14E

| Chapter 1	# Managers and You in the Workplace

It's Your Career

Source: valentint/Fotolia

A key to success in management and in your career is having good time management skills.

The ABC's of Managing Your Time

Are you BUSY? Do you always seem to have a lot to do and never seem to get it done, or done on time, or are things done at the last minute under a lot of pressure and stress? If you're like most people, the answer to these questions is YES! Well, maybe in a management textbook we need to do something about that by focusing on one aspect of management that can be tremendously useful to you . . . TIME MANAGEMENT! Time is a unique resource and one of your most valuable resources. Time is also a limited resource. First, if it's wasted, it can never be replaced. People talk about saving time, but time can never actually be saved. Second, unlike resources such as money or talent, which are distributed unequally in the world, time is an equal-opportunity resource. Each one of us gets exactly the same amount of time: 24 hours per day or 168 hours each week. But as you have undoubtedly observed, some people are a lot more efficient in using their allotment. It is not uncommon to hear others say that they need additional hours to get everything done, but that is simply wishful thinking. Commit to improving your ability to manage those 168 hours so you can be more efficient and effective—in your career and in your personal life! Here are some suggestions to help you better use your time:

*1.   **Make and keep a list of all your current, upcoming, and routine goals.** Know what needs to be done daily, weekly, and monthly.*

*2.   **Rank your goals according to importance.** Not all goals are of equal importance. Given the limitations on your time, you want to make sure you give highest priority to the most important goals.*

*3.   **List the activities/tasks necessary to achieve your goals.** What specific actions do you need to take to achieve your goals?*

*4.   **Divide these activities/tasks into categories using an A, B, and C classification.** The A's are important and urgent. B's are either important or urgent, but not both. C's are routine—not important nor urgent, but still need to be done.*
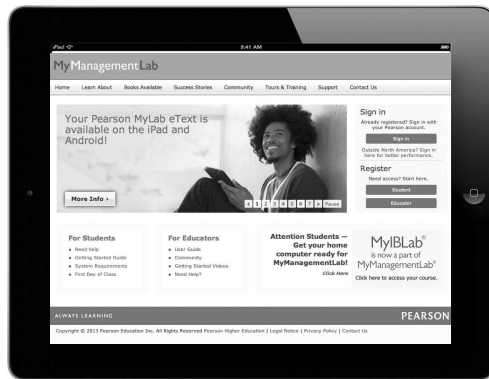
Learning Objectives

● SKILL OUTCOMES

1.1 *Tell* who managers are and where they work.

   ● **Know how to** *manage your time.*

1.2 *Explain* why managers are important to organizations.

1.3 *Describe* the functions, roles, and skills of managers.

   ● **Develop your skill** *at being politically aware.*

1.4 *Describe* the factors that are reshaping and redefining the manager's job.

1.5 *Explain* the value of studying management.

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5. Schedule your activities/tasks according to the priorities you've set. *Prepare a daily plan. Every morning, or at the end of the previous workday, make a list of the five or so most important things you want to do for the day. Then set priorities for the activities listed on the basis of importance and urgency.*

6. Plan your to-do list each day so that it includes a mixture of A, B, and C activities/tasks. *And it's best to spread the three types of tasks throughout your day so you're not lumping together all your demanding tasks. Also, be realistic about what you can achieve in a given time period.*

7. Recognize that technology makes it too easy to stay connected. *Just think for a moment how many phone calls, e-mails, texts, postings on social media, and unscheduled visitors you receive on a typical day. Some are essential to the tasks at hand, while others are distractions that do not require immediate attention. Prioritize the importance of this information.*

8. Realize that priorities may change as your day or week proceeds. *New information may change a task's importance or urgency. As you get new information, reassess your list of priorities and respond accordingly.*

9. Remember that your goal is to manage getting your work done as efficiently and effectively as you can. *It's not to become an expert at creating to-do lists. Find what works best for you and use it!*

Like many students, you've probably had a job (or two) at some time or another while working on your degree. And your work experiences, regardless of where you've worked, are likely to have been influenced by the skills and abilities of your manager. What are today's successful managers like and what skills do they need in dealing with the problems and challenges of managing in the twenty-first century? This text is about the important work that managers do. The reality facing today's managers—and that might include you in the near future—is that the world is changing. In workplaces of

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all types—offices, stores, labs, restaurants, factories, and the like—managers deal with changing expectations and new ways of managing employees and organizing work. In this chapter, we introduce you to managers and management by looking at (1) who managers are and where they work, (2) why managers are important, and (3) what managers do. Finally, we wrap up the chapter by (4) looking at the factors reshaping and redefining the manager's job and (5) discussing why it's important to study management.

WHO are managers and where do they work?

L01.1 Managers may not be who or what you might expect! Managers can range in age from 18 to 80+. They run large corporations, medium-sized businesses, and entrepreneurial start-ups. They're also found in government departments, hospitals, not-for-profit agencies, museums, schools, and even nontraditional organizations such as political campaigns and music tours. Managers can also be found doing managerial work in every country on the globe. In addition, some managers are top-level managers while others are first-line managers. And today, managers are just as likely to be women as they are men; however, the number of women in top-level manager positions remains low—only 24 (4%) women were CEOs of Fortune 500 companies in 2014.[1] Similarly, only 20 (4%) were minorities. Even in government leadership roles, women are far outnumbered by men in the U.S. Senate and House of Representatives, representing approximately 20 percent of these total elected officials.[2] But no matter where managers are found or what gender or race they are, managers have exciting and challenging jobs!
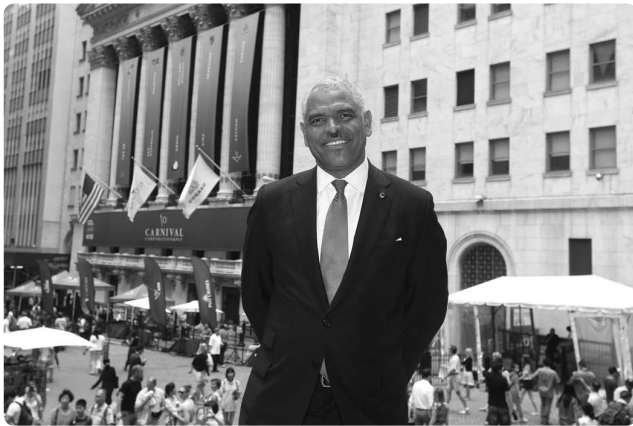
Carnival Corporation's CEO Arnold Donald is the top manager of the world's largest cruise line, with over 100,000 employees from different cultures and countries, 10 cruise line brands, and 100 ships. His challenging job involves making decisions and developing plans that help Carnival achieve its goal "to show our guests the kind of fun that memories are made of."
Source: Jason DeCrow/AP Images for Carnival Corporation

Who Is a Manager?

It used to be fairly simple to define who managers were: They were the organizational members who told others what to do and how to do it. It was easy to differentiate *managers* from *nonmanagerial employees*. Now, it isn't quite that simple. In many organizations, the changing nature of work has blurred the distinction between managers and nonmanagerial employees. Many traditional nonmanagerial jobs now include managerial activities.[3] For example, the gaming company Valve does not award job titles, and there is little formal supervision. Virtually any employee is free to start a project as long as the employee obtains funding and assembles a project team.[4] Or consider an organization like Morning Star Company, the world's largest tomato processor, where no employees are called managers—just 400 full-time employees who do what needs to be done and who together "manage" issues such as job responsibilities, compensation decisions, and budget decisions.[5] Sounds crazy, doesn't it? But it works—for this organization. (See Case Application 2 at the end of the chapter to see how another business—Zappos—has gone bossless!)

So, how *do* we define who managers are? A **manager** is someone who coordinates and oversees the work of other people so organizational goals can be accomplished. A manager's job is not about *personal* achievement—it's about helping *others* do their work. That may mean coordinating the work of a departmental group, or it might mean supervising a single person. It could involve coordinating the work activities of a team with people from different departments or even people outside the organization such as temporary employees or individuals who work for the organization's suppliers. Keep in mind that managers may also have work duties not related to coordinating and overseeing others' work. For example, an insurance claims supervisor might process claims in addition to coordinating the work activities of other claims clerks.

How can managers be classified in organizations? In traditionally structured organizations (often pictured as a pyramid because more employees are at lower

manager
Someone who coordinates and oversees the work of other people so organizational goals can be accomplished

organizational levels than at upper organizational levels), managers can be classified as first-line, middle, or top. (See Exhibit 1-1.) At the lowest level of management, **first-line (or frontline) managers** manage the work of nonmanagerial employees who typically are involved with producing the organization's products or servicing the organization's customers. These managers often have titles such as *supervisors* or even *shift managers, district managers, department managers*, or *office managers*. **Middle managers** manage the work of first-line managers and can be found between the lowest and top levels of the organization. They may have titles such as *regional manager, project leader, store manager*, or *division manager*. Middle managers are mainly responsible for turning company strategy into action. At the upper levels of the organization are the **top managers**, who are responsible for making organization-wide decisions and establishing the plans and goals that affect the entire organization. These individuals typically have titles such as *executive vice president, president, managing director, chief operating officer,* or *chief executive officer*.

Not all organizations are structured to get work done using a traditional pyramidal form, however. Some organizations, for example, are more loosely configured, with work done by ever-changing teams of employees who move from one project to another as work demands arise. For instance, at General Cable Corporation's facility in Moose Jaw, Saskatchewan, Canada, managerial responsibilities are shared by managers and team members. Most of the employees at Moose Jaw are cross-trained and multiskilled. Within a single shift, an employee can be a team leader, equipment operator, maintenance technician, quality inspector, or improvement planner.[6] Although it's not as easy to tell who the managers are in these organizations, we do know that someone must fulfill that role—that is, someone must coordinate and oversee the work of others, even if that "someone" changes as work tasks or projects change or that "someone" doesn't necessarily have the title of manager.
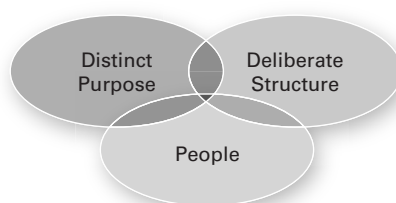
first-line (frontline) managers
Managers at the lowest level of management who manage the work of nonmanagerial employees

middle managers
Managers between the lowest level and top levels of the organization who manage the work of first-line managers

top managers
Managers at or near the upper levels of the organization structure who are responsible for making organization-wide decisions and establishing the goals and plans that affect the entire organization

Where Do Managers Work?

It's obvious that managers work in organizations. But what is an **organization**? It's a deliberate arrangement of people to accomplish some specific purpose. Your college or university is an organization; so are fraternities and sororities, government departments, churches, Google, your neighborhood grocery store, the United Way, the St. Louis Cardinals baseball team, and the Mayo Clinic. All are considered organizations and have three common characteristics. (See Exhibit 1-2.)

organization
A deliberate arrangement of people to accomplish some specific purpose

FYI

- Frontline managers directly supervise some 93 percent of all nonsupervisory employees.
- 9.3 million managers and executives were in the U.S. workforce in 2014.
- 6.9 million middle managers were in the U.S. workforce
- 2.4 million top executives were in the U.S. workforce.[7]

First, an organization has a distinct purpose typically expressed through goals the organization hopes to accomplish. Second, each organization is composed of people. It takes people to perform the work that's necessary for the organization to achieve its goals. Third, all organizations develop a deliberate structure within which members do their work. That structure may be open and flexible, with no specific job duties or strict adherence to explicit job arrangements. For instance, most big projects at Google (at any one time, hundreds of projects are in process simultaneously) are tackled by small, focused employee teams that set up in an instant and complete work just as quickly.[8] Or the structure may be more traditional—like that of Procter & Gamble or General Electric or any large corporation—with clearly defined rules, regulations, job descriptions, and some members identified as "bosses" who have authority over other members. In the military, there is a well-defined hierarchy. In the U.S. Air Force, the General of the Air Force is the highest ranking officer and Second Lieutenant is the lowest ranking officer. Between the two are nine officer ranks.

Many of today's organizations are structured more like Google, with flexible work arrangements, employee work teams, open communication systems, and supplier alliances. In these organizations, work is defined in terms of tasks to be done. And workdays have no time boundaries since work can be—and is—done anywhere, anytime. However, no matter what type of approach an organization uses, some deliberate structure is needed so work can get done, with managers overseeing and coordinating that work.

FUTURE VISION   Is It Still Managing When What You're Managing Are Robots?

While this text presents a fairly accurate description of today's workplace, you're going to spend most of your work life in the future. What will that work life look like? How will it be different from today? The workplace of tomorrow is likely to include workers that are faster, smarter, more responsible—and who just happen to be robots.[9] Are you at all surprised by this statement? Although robots have been used in factory and industrial settings for a long time, it's becoming more common to find robots in the office, and it's bringing about new ways of looking at how work is done and at what and how managers manage. So what *would* the manager's job be like managing robots? And even more intriguing is how these "workers" might affect how human coworkers interact with them.

As machines have become smarter, researchers have been looking at human-machine interaction and how people interact with the smart devices that are now such an integral part of our professional and personal lives. One conclusion is that people find it easy to bond with a robot, even one that doesn't look or sound anything like a real person. In a workplace setting, if a robot moves around in a "purposeful way," people tend to view it, in some ways, as a coworker. People name their robots and can even describe the robot's moods and tendencies. As telepresence robots become more common, the humanness becomes even more evident.

For example, when Erwin Deininger, the electrical engineer at Reimers Electra Steam, a small company in Clear Brook, Virginia, moved to the Dominican Republic when his wife's job transferred her there, he was able to still be "present" at the company via his VGo robot. Now "robot" Deininger moves easily around the office and the shop floor, allowing the "real" Deininger to do his job just as if he were there in person. The company's president, satisfied with how the robot solution has worked out, has been surprised at how he acts around it, feeling at times that he's interacting with Deininger himself.

There's no doubt that robot technology will continue to be incorporated into organizational settings. The manager's job will become even more exciting and challenging as humans and machines work together to accomplish an organization's goals.

If your professor has chosen to assign this, go to **www.mymanagementlab.com** *to discuss the following questions.*

⭐ **TALK ABOUT IT 1:** What's your response to the title of this box: Is it still managing when what you're managing are robots? Discuss.

⭐ **TALK ABOUT IT 2:** If you had to "manage" people and robots, how do you think your job as manager might be different than what the chapter describes?

WHY are managers important?

LO1.2   What can a great boss do?

• Inspire you professionally and personally
• Energize you and your coworkers to accomplish things together that you couldn't get done by yourself
• Provide coaching and guidance with problems
• Provide you feedback on how you're doing
• Help you to improve your performance
• Keep you informed of organizational changes
• Change your life[10]

If you've worked with a manager like this, consider yourself lucky. Such a manager can make going to work a lot more enjoyable and productive. However, even managers who don't live up to such lofty ideals and expectations are important to organizations. Why? Let's look at three reasons.

The first reason why managers are important is because *organizations need their managerial skills and abilities* more than ever in uncertain, complex, and chaotic times. As organizations deal with today's challenges—changing workforce dynamics, the worldwide economic climate, changing technology, ever-increasing globalization, and so forth—managers play an important role in identifying critical issues and crafting responses. For example, BlackBerry Limited introduced software for autonomous cars. The company's vehicle-to-vehicle software will enable cars to communicate with each other to prevent collisions and improve traffic flow.[11] Teams of talented scientists and engineers create the hardware and software to make this possible. But it takes more than that to be successful. There has to be a focus on commercial potential. For example, Virgin Galactic and Xcor Aerospace are working toward creating a new industry—space tourism for civilians. These companies possess the technological and scientific know-how and resources to make this a reality; however, the fare for a suborbital flight around Earth is expected to be about $100,000 per passenger.[12] Most people will not have the discretionary funds to take these flights. That's why, behind the scenes, you'd also find a team of managers who scrutinize ideas and focus on the question: *Is there a sustainable market?* These managers realize what is critical to success. The opposite "types" have worked together and created a successful business.[13]

Another reason why managers are important to organizations is because *they're critical to getting things done.* For instance, AT&T has some 6,750 general managers who manage the work of thousands of frontline employees.[14] These managers deal with all kinds of issues as the company's myriad tasks are carried out. They create and coordinate the workplace environment and work systems so that others can perform those tasks. Or, if work isn't getting done or isn't getting done as it should be, they're the ones who find out why and get things back on track. And these managers are key players in leading the company into the future.

Finally, *managers do matter* to organizations! How do we know that? The Gallup Organization, which has polled millions of employees and tens of thousands of managers, has found that the single most important variable in employee productivity and loyalty isn't pay or benefits or workplace environment—it's the quality of the relationship between employees and their direct supervisors.[15] In addition, global consulting firm Towers Watson found that the way a company manages and engages its people can significantly affect its financial performance.[16] Companies that hire managers based on talent realize a 48 percent increase in profitability, a 22 percent increase in productivity, a 30 percent increase in employee engagement scores, a 17 percent increase in customer engagement scores, and a 19 percent decrease in turnover.[17] That's scary considering another study by the Gallup Organization found that leadership is the single largest influence on employee engagement.[18] In yet another study by different researchers, 44 percent of the respondents said their supervisors strongly increased engagement.[19] However, in this same study, 41 percent of respondents also said their supervisors strongly decreased engagement. And, a different study of organizational performance found that managerial ability was important in creating organizational value.[20] So, as you can see, managers can and do have an impact—positive and negative. What can we conclude from such reports? Managers are important—and they *do* matter!

WHAT **do managers do?**

LO1.3   Simply speaking, management is what managers do. But that simple statement doesn't tell us much, does it? Let's look first at what management is before discussing more specifically what managers do.

management
Coordinating and overseeing the work activities of others so their activities are completed efficiently and effectively

Management involves coordinating and overseeing the work activities of others so their activities are completed efficiently and effectively. We already know that coordinating and overseeing the work of others is what distinguishes a managerial position from a nonmanagerial one. However, this doesn't mean that managers or their employees can do what they want anytime, anywhere, or in any way. Instead, management involves ensuring that work activities are completed efficiently and effectively by the people responsible for doing them, or at least that's what managers should be doing.

efficiency
Doing things right, or getting the most output from the least amount of inputs

Efficiency refers to getting the most output from the least amount of inputs or resources. Managers deal with scarce resources—including people, money, and equipment—and want to use those resources efficiently. Efficiency is often referred to as "doing things right," that is, not wasting resources. For instance, Southwest Airlines has achieved operating efficiency through a variety of practices, which include using one aircraft model (Boeing 737) throughout its fleet. Using one model simplifies scheduling, operations, and flight maintenance, and the training costs for pilots, ground crew, and mechanics are lower because there's only a single aircraft to learn.[21] These efficient work practices paid off, as Southwest has made a profit for 42 consecutive years![22]

effectiveness
Doing the right things, or doing those work activities that will result in achieving goals

It's not enough, however, just to be efficient. Management is also concerned with employee effectiveness. **Effectiveness** is often described as "doing the right things," that is, doing those work activities that will result in achieving goals. Besides being efficient, Southwest Airlines' mission is "dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and Company Spirit."[23] Two of the many reasons cited for the airlines' effectiveness are permitting two checked bags for free and permitting a change in itinerary without incurring a penalty.[24] Whereas efficiency is concerned with the *means* of getting things done, effectiveness is concerned with the *ends*, or attainment of organizational goals (see Exhibit 1-3). In successful organizations, high efficiency and high effectiveness typically go hand in hand. Poor management (which leads to poor performance) usually involves being inefficient and ineffective or being effective but inefficient.

★ **It's Your Career**   **Time Management**—If your instructor is using MyManagementLab, log onto **www. mymanagementlab.com** and test your *time management knowledge*. **Be sure to refer back to the chapter opener!**

Now let's take a more detailed look at what managers do. Describing what managers do isn't easy. Just as no two organizations are alike, no two managers' jobs are alike. In spite of this, management researchers have developed three approaches to describe what managers do: functions, roles, and skills.

Exhibit 1-3
Efficiency and Effectiveness in Management

Planning	Organizing	Leading	Controlling	
				Lead to
Setting goals, establishing strategies, and developing plans to coordinate activities	Determining what needs to be done, how it will be done, and who is to do it	Motivating, leading, and any other actions involved in dealing with people	Monitoring activities to ensure that they are accomplished as planned	Achieving the organization's stated purposes
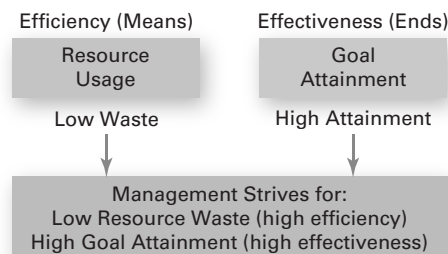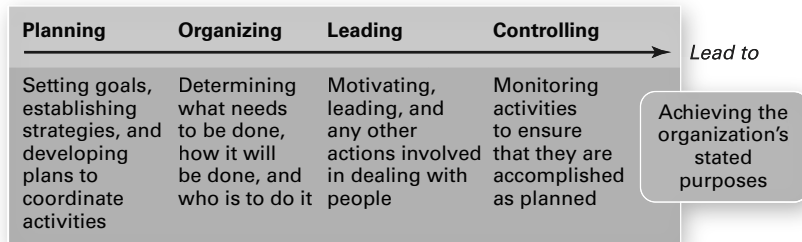
Management Functions

According to the functions approach, managers perform certain activities or functions as they efficiently and effectively coordinate the work of others. What are these functions? Henri Fayol, a French businessman in the early part of the twentieth century, suggested that all managers perform five functions: planning, organizing, commanding, coordinating, and controlling.[25] (See Management History Module for more information.) Today, we use four functions to describe a manager's work: planning, organizing, leading, and controlling (see Exhibit 1-4). Let's briefly look at each.

If you have no particular destination in mind, then any road will do. However, if you have someplace in particular you want to go, you've got to plan the best way to get there. Because organizations exist to achieve some particular purpose, someone must define that purpose and the means for its achievement. Managers are that someone. As managers engage in **planning**, they set goals, establish strategies for achieving those goals, and develop plans to integrate and coordinate activities.

Managers are also responsible for arranging and structuring work that employees do to accomplish the organization's goals. We call this function **organizing**. When managers organize, they determine what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

Every organization has people, and a manager's job is to work with and through people to accomplish goals. This is the **leading** function. When managers motivate subordinates, help resolve work group conflicts, influence individuals or teams as they work, select the most effective communication channel, or deal in any way with employee behavior issues, they're leading.

The final management function is **controlling**. After goals and plans are set (planning), tasks and structural arrangements are put in place (organizing), and people are hired, trained, and motivated (leading), there has to be an evaluation of whether things are going as planned. To ensure goals are met and work is done as it should be, managers monitor and evaluate performance. Actual performance is compared with the set goals. If those goals aren't achieved, it's the manager's job to get work back on track. This process of monitoring, comparing, and correcting is the controlling function.

Just how well does the functions approach describe what managers do? Do managers always plan, organize, lead, and then control? Not necessarily. What a manager does may not always happen in this sequence. However, regardless of the order in which these functions are performed, managers do plan, organize, lead, and control as they manage.

Leading is an important function of The Container Store manager Jaimie Moeller (left). She influences the behavior of employees by leading them in a team huddle before they begin their work day. Coaching employees to succeed in the store's team-selling environment helps Moeller achieve the store's sales performance and customer service goals.
Source: ZUMA Press Inc/Alamy

planning
Management function that involves setting goals, establishing strategies for achieving those goals, and developing plans to integrate and coordinate activities

organizing
Management function that involves arranging and structuring work to accomplish the organization's goals

leading
Management function that involves working with and through people to accomplish organizational goals

controlling
Management function that involves monitoring, comparing, and correcting work performance

If your professor has assigned this, go to **www.mymanagementlab.com** to complete the *Simulation: **What Is Management?*** and see how well you can apply the ideas of planning, organizing, leading, and controlling.

★ **Try It 1!**

Although the functions approach is a popular way to describe what managers do, some have argued that it isn't relevant.[26] So let's look at another perspective.

let's get REAL

The Scenario:

Micah, one of your best employees, was just promoted to a managerial position. You invited him to lunch to celebrate and to see what was on his mind about his new position. Waiting for your food to arrive, you asked him if he had any concerns or questions about being a manager. Looking straight at you, Micah said, "How is being a manager going to be different? What will I do as a manager?"

How would you respond?

Being a manager means that you have a greater responsibility to consider, and keep in mind big-picture organizational goals and how your work and that of your staff contribute to those goals. As a manager you also have a responsibility to think about development opportunities for any team members who may now report to you. How will you help to put them on a path toward growth and suc-cess?

Maribel Lara
Director, Account Management

Source: Maribel Lara

Mintzberg's Managerial Roles and a Contemporary Model of Managing

managerial roles
Specific actions or behaviors expected of and exhibited by a manager

Henry Mintzberg, a well-known management researcher, studied actual managers at work. In his first comprehensive study, Mintzberg concluded that what managers do can best be described by looking at the managerial roles they engage in at work.[27] The term **managerial roles** refers to specific actions or behaviors expected of and exhibited by a manager. (Think of the different roles you play—student, employee, student organization member, volunteer, sibling, and so forth—and the different things you're expected to do in these roles.) When describing what managers do from a roles perspective, we're not looking at a specific person per se, but at the expectations and responsibilities associated with the person in that role—the role of a manager.[28] As shown in Exhibit 1-5, these 10 roles are grouped around interpersonal relationships, the transfer of information, and decision making.

interpersonal roles
Managerial roles that involve people and other duties that are ceremonial and symbolic in nature

informational roles
Managerial roles that involve collecting, receiving, and disseminating information

decisional roles
Managerial roles that revolve around making choices

The **interpersonal roles** involve people (subordinates and persons outside the organization) and other ceremonial and symbolic duties. The three interpersonal roles include figurehead, leader, and liaison. The **informational roles** involve collecting, receiving, and disseminating information. The three informational roles include monitor, disseminator, and spokesperson. Finally, the **decisional roles** entail making decisions or choices and include entrepreneur, disturbance handler, resource allocator, and negotiator. As managers perform these roles, Mintzberg proposed that their activities included both reflection (thinking) and action (doing).[29]

A number of follow-up studies have tested the validity of Mintzberg's role categories, and the evidence generally supports the idea that managers—regardless of the type of organization or level in the organization—perform similar roles.[30] However, the emphasis that managers give to the various roles seems to change with organizational level.[31] At higher levels of the organization, the roles of disseminator, figurehead, negotiator, liaison, and spokesperson are more important; while the leader role (as Mintzberg defined it) is more important for lower-level managers than it is for either middle or top-level managers.

So which approach is better, managerial functions or Mintzberg's propositions? Although each does a good job of depicting what managers do, the functions approach still seems to be the generally accepted way of describing the manager's job. "The classical functions provide clear and discrete methods of classifying the thousands of activities managers carry out and the techniques they use in terms of the functions they perform for the achievement of goals."[32] However, Mintzberg's role approach and additional model of managing do offer us other insights into managers' work.

Management Skills

UPS is a company that understands the importance of management skills.[33] The company's new on-road supervisors are immersed in a new manager orientation where they learn people and time management skills. The company started an intensive eight-day offsite skills training program for first-line managers as a way to improve its operations. What have supervisors learned from the skills training? Some things they mentioned learning were how to communicate more effectively and important information about safety compliance and labor practices.

What types of skills do managers need? Robert L. Katz proposed that managers need three critical skills in managing: technical, human, and conceptual.[34] (Exhibit 1-6 shows the relationships of these skills to managerial levels.) **Technical skills** are the job-specific knowledge and techniques needed to proficiently perform work tasks. These skills tend to be more important for first-line managers

technical skills
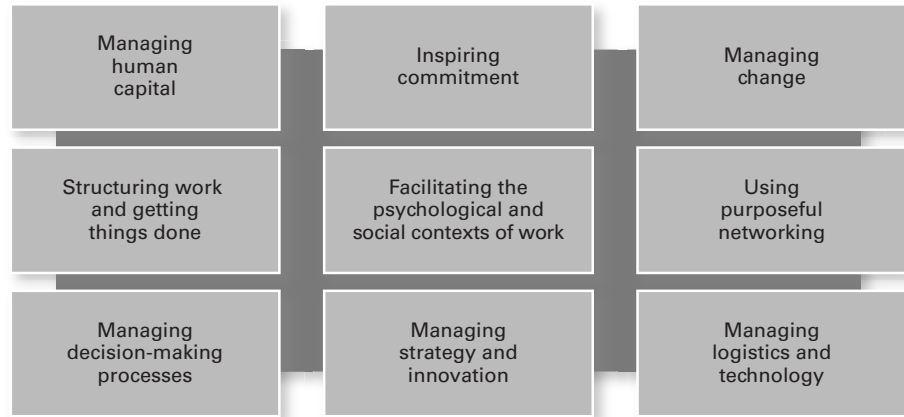Job-specific knowledge and techniques needed to proficiently perform work tasks

Top Managers	Conceptual	Human	Technical
Middle Managers	Conceptual	Human	Technical
Lower-Level Managers	Conceptual	Human	Technical

Exhibit 1-7

Important Managerial Skills

Source: Based on *Workforce Online*; J. R. Ryan, *Bloomberg BusinessWeek Online*; In-Sue Oh and C. M. Berry; and R. S. Rubin and E. C. Dierdorff.

Managing human capital	Inspiring commitment	Managing change
Structuring work and getting things done	Facilitating the psychological and social contexts of work	Using purposeful networking
Managing decision-making processes	Managing strategy and innovation	Managing logistics and technology

interpersonal skills
The ability to work well with other people individually and in a group

conceptual skills
The ability to think and to conceptualize about abstract and complex situations

because they typically manage employees who use tools and techniques to produce the organization's products or service the organization's customers. Often, employees with excellent technical skills get promoted to first-line manager. For example, Dean White, a production supervisor at Springfield Remanufacturing, started as a parts cleaner. Now, White manages 25 people in six departments. He noted that at first it was difficult to get people to listen, especially his former peers. "I learned I had to gain respect before I could lead," White said. He credits mentors—other supervisors whose examples he followed—with helping him become the type of manager he is today.[35] Dean is a manager who has technical skills, but also recognizes the importance of **interpersonal skills**, which involve the ability to work well with other people both individually and in a group. Because all managers deal with people, these skills are equally important to all levels of management. Managers with good human skills get the best out of their people. They know how to communicate, motivate, lead, and inspire enthusiasm and trust. Finally, **conceptual skills** are the skills managers use to think and to conceptualize about abstract and complex situations. Using these skills, managers see the organization as a whole, understand the relationships among various subunits, and visualize how the organization fits into its broader environment. Managers then can effectively direct employees' work. For example, Ian McAllister, general manager at Amazon, indicates that a successful general manager understands the whole business. With this understanding, managers can get everyone on the same page. In turn, employees will make a substantial number of decisions in support of the company's vision.[36] These skills are most important to top managers.

Other important managerial skills that have been identified are listed in Exhibit 1-7. In today's demanding and dynamic workplace, employees who want to be valuable assets must constantly upgrade their skills, and developing management skills can be particularly beneficial. We feel that understanding and developing management skills is so important that we've included a skills activity component for each chapter's *It's Your Career* opener. You'll find that activity at www.mymanagementlab.com. In addition, we've included a career skills feature at the end of each chapter. (The one in this chapter looks at developing your political skills.) Although completing skill-building exercises won't make you an instant expert, they can provide you an introductory understanding of some of the skills you'll need to master to be a valuable employee and an effective manager.

★ **Write It!**

If your professor has assigned this, go to **mymanagementlab.com** and complete the **Writing Assignment** *MGMT 1: Management Skills.*

let's get REAL

The Scenario:

After three years as a lead customer service representative for an Internet-based clothing company, Jane is eager to apply for a team supervisor position. She has good relationships with the employees in her department, but she is not sure what skills she needs to have to be considered for the promotion. At her performance appraisal meeting with her manager, she asks, "What can I do to build my skills to prepare me to become a supervisor?"

Source: Whitney Portman

Whitney Portman
Senior Marketing Communications Manager

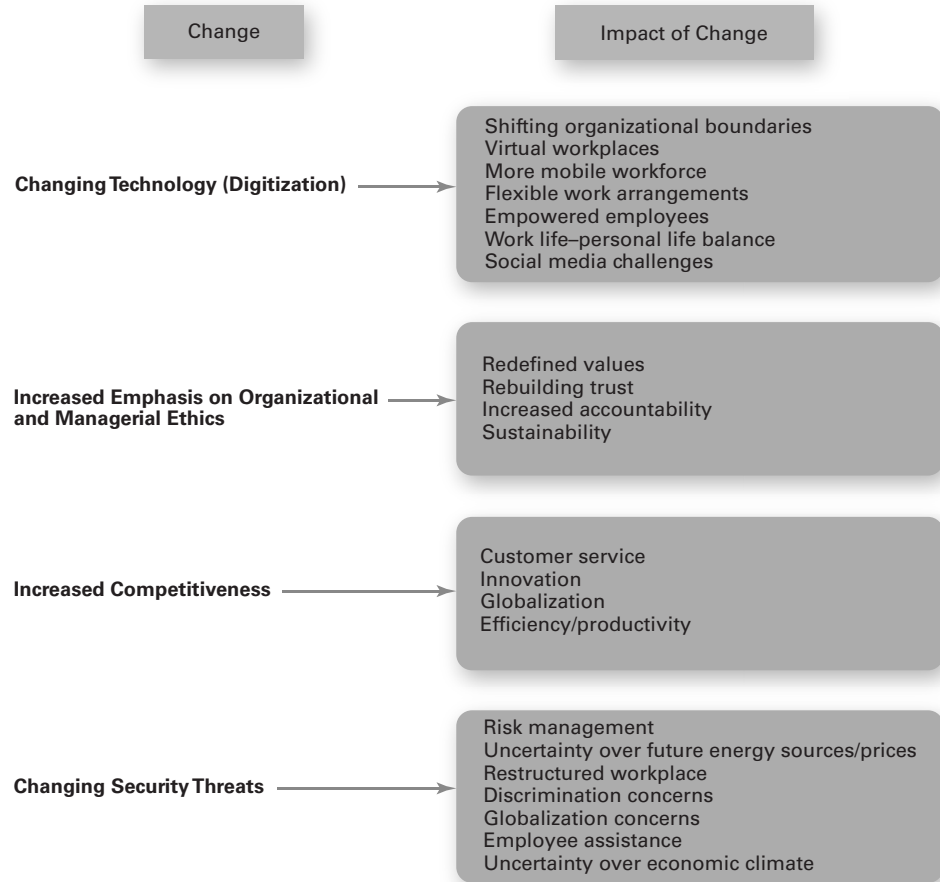***What advice can you give Jane on developing her skills?***

As you advance in your career, the biggest shift in your skill set will be going from the "doer" to the "delegator." Instead of getting all the work done, you'll become air traffic control and act as more of a guide for your employees. You can hone these leadership skills before ever actually getting the role. Try to approach each new project as if you were leading the team responsible for it. Think more strategically and consider the broader business objectives versus just the details of the tasks at hand. Your manager will start to notice this shift in your mindset and it will become clear that you're ready to seamlessly take on the new responsibilities.

HOW is the manager's job changing?

L01.4   In today's world, managers are dealing with global economic and political uncertainties, changing workplaces, ethical issues, security threats, and changing technology. For example, Dave Maney, the top manager of Headwaters MB, a Denver-based investment bank, had to fashion a new plan during the recession. When the company's board of directors gave senior management complete freedom to ensure the company's survival, they made a bold move. All but seven key employees were laid off. Although this doesn't sound very responsible or resourceful, it invited those laid-off employees to form independent member firms. Now, Headwaters steers investment transactions to those firms, while keeping a small percentage for itself. The new organizational arrangement drastically reduced fixed costs and also gave managers more time to do the all-important job of marketing. As Maney said, "It was a good strategy for us and positioned us for the future."[37] It's likely that more managers *will* have to manage under such demanding circumstances, and the fact is that *how* managers manage is changing. Exhibit 1-8 shows some of the most important changes facing managers. Throughout the rest of this text, we'll discuss these and other changes and how they affect the way managers plan, organize, lead, and control. We want to focus on six of these changes: customers, technology, social media, innovation, sustainability, and the employee.

Focus on the Customer

John Legere, CEO of T-Mobile, likes to listen to customers. "My business philosophy is listen to your employees, listen to your customers. Shut up and do what they tell you. And each of our Un-carrier moves and the way I run my company is completely aligned with that."[38] This manager understands the importance of customers and clearly believes that focusing on customers is essential to success. Without them, most organizations would cease to exist. Yet, focusing on the customer has long been thought to be the responsibility of marketing types. "Let the marketers worry about the customers" is

Exhibit 1-8
Changes Facing Managers

Change		Impact of Change

Changing Technology (Digitization) →

Shifting organizational boundaries
Virtual workplaces
More mobile workforce
Flexible work arrangements
Empowered employees
Work life–personal life balance
Social media challenges

Increased Emphasis on Organizational and Managerial Ethics →

Redefined values
Rebuilding trust
Increased accountability
Sustainability

Increased Competitiveness →

Customer service
Innovation
Globalization
Efficiency/productivity

Changing Security Threats →

Risk management
Uncertainty over future energy sources/prices
Restructured workplace
Discrimination concerns
Globalization concerns
Employee assistance
Uncertainty over economic climate

how many managers felt. That sentiment is out of date. At Banana Republic, the customer experience manager position is responsible for ensuring that customers enjoy a high-quality in-store experience. This manager is also responsible for staffing and training as well as supporting the implementation of product placement, marketing, and promotional strategies.[39] We're discovering, however, that employee attitudes and behaviors play a big role in customer satisfaction and a return on investment. The J.D. Power 2015 North American Airline Satisfaction Study supports this idea. According to J.D. Power's global travel and hospitality practice leader, Rich Garelick, building customer satisfaction creates "better customer advocates for the airline."[40] Successful airlines such as Alaska Airlines and Jet Blue Airways treat passengers well by putting forward friendly announcements to inform them on the ground or in the air about flight status and offering amenities such as in-flight entertainment.

Today, the majority of employees in developed countries work in service jobs. For instance, almost 80 percent of the U.S. labor force is employed in service industries.[41] In Australia, 75 percent work in service industries, and in Canada, 76 percent do. In the United Kingdom, Germany, and Japan, the percentages are 83, 74, and 71, respectively. Even in developing countries such as Colombia, Dominican Republic, Vietnam, and Bangladesh, we find 62 percent, 65 percent, 31 percent, and 40 percent of the labor force employed in service jobs.[42] Examples of service jobs include technical support representatives, food servers or fast-food counter workers, sales clerks, custodians and housekeepers, teachers, nurses, computer repair technicians, front-desk clerks, consultants, purchasing agents, credit representatives, financial planners, and

With the growing popularity of tourism in the Dominican Republic, a large percentage of the labor force works in service jobs for resorts, attractions, and tourist-related activities such as the aerobics instructor shown here leading a class on the beach for tourists. To succeed in the service industry, managers must create a customer-responsive organization.
Source: Ellen McKnight/Alamy

bank tellers. The odds are pretty good that when you graduate, you'll go to work for a company that's in a service industry, not in manufacturing or agriculture.

Managers are recognizing that delivering consistent, high-quality customer service is essential for survival and success in today's competitive environment. Good customer care pays off. A recent study found that nearly all customers (92%) whose issue was resolved during first contact with customer service would likely continue using the company.[43] That number drops to about half (51%) for customers whose issue was not resolved during first contact. Employees are an important part of that equation.[44] The implication is clear: managers must create a customer-responsive organization where employees are friendly and courteous, accessible, knowledgeable, prompt in responding to customer needs, and willing to do what's necessary to please the customer.[45] We'll look at customer service management in other chapters.

If your professor has assigned this, go to **www.mymanagementlab.com** to watch a video titled *Zane's Cycles: The Management Environment* and to respond to questions.

★ **Watch It 1!**

Focus on Technology

Managers increasingly face challenges in their work because technology has been changing how things get done. Cloud computing, social media, and robotics are examples of technology. Getting employees on board presents a challenge to many managers. Managers must work with employees to understand why new technology is an improvement over present ways of conducting business. According to Didier Bonnet, coauthor of *Leading Challenge*, "The job of a manager is to help people cross the bridge—to get them comfortable with the technology, to get them using it, and to help them understand how it makes their lives better."[46]

It is a myth that social skills have become less important because there is more technology in the workplace. Take robotic technology. Software programming can systemize human decision making and physical tasks, which can be carried out by machinery. However, technological advances have fallen short of replicating human interactions and technology falls short of substituting human judgment. Particularly in team settings, workers rely on each other's expertise, and they are able to adapt to changing circumstances than is made possible by software.[47] As a result, managers are continually challenged to oversee team building and problem solving. Management expert Henry Mintzberg, however, warns that "wonderful as they are in enhancing communication, [technological devices] can have a negative effect on collaboration unless they are carefully managed. An electronic device puts us in touch with a keyboard, that's all."[48] Therein lies a significant challenge for managers. Social media technology adds further challenges to the mix.

Focus on Social Media

You probably can't imagine a time when employees did their work without smart devices, e-mail, or Internet access. Yet, some 25 years ago, as these tools were becoming more common in workplaces, managers struggled with the challenges of providing guidelines for using the Internet and e-mail in their organizations. Today, the new frontier is **social media**, forms of electronic communication through which users create online communities to share ideas, information, personal messages, and other content. And employees don't just use these on their personal time, but also for work purposes. That's why managers need to understand and manage the power and peril of social media. For instance, at grocery chain SuperValu, managers realized that keeping 135,000-plus employees connected and engaged was imperative to continued success.[49] They decided to adopt an internal social media tool to foster cooperation and collaboration among the 10 distinct store brands operating in 44 states. And they're not alone. More and more businesses are turning to social media as a way to connect with customers. Increasingly, many companies encourage employees to use social media to become employee activists. For this purpose, employee activists draw visibility to their workplace, defend their employers from criticism, and serve as advocates, both online and off.[50]

social media
Forms of electronic communication through which users create online communities to share ideas, information, personal messages, and other content

But the potential peril is in how it's used. CEO of Berkshire Hathaway, Warren Buffet, has said that, "It takes 20 years to build a reputation and five minutes to ruin it."[51] Internally, social media also becomes problematic when it becomes a way for boastful employees to brag about their accomplishments, for managers to publish one-way messages to employees, or for employees to argue or gripe about something or someone they don't like at work—then it has lost its usefulness. To avoid this, managers need to remember that social media is a tool that needs to be managed to be beneficial. At SuperValu, about 9,000 store managers and assistant managers use the social media system. Although sources say it's too early to draw any conclusions, it appears that managers who actively make use of the system are having better store sales revenues than those who don't.

In the remainder of the book, we'll look at how social media is impacting how managers manage, especially in the areas of human resource management, communication, teams, and strategy. For example, a particular question is whether human resource managers should use social media to screen potential employees.

⭐ **Watch It 2!** If your professor has assigned this, go to **www.mymanagementlab.com** to watch a video titled *CH2M Hill: Emotions and Moods* and to respond to questions.

Focus on Innovation

Success in business today demands innovation. Innovation means exploring new territory, taking risks, and doing things differently. And innovation isn't just for high-tech or other technologically sophisticated organizations. Innovative efforts can be found in all types of organizations. For instance, the manager of the Best Buy store in Manchester, Connecticut, clearly understood the importance of being innovative, a task made particularly challenging because the average Best Buy store is often staffed by young adults in their first or second jobs who aren't always committed long term to a retail career. Yet, the increasingly sophisticated products carried by the store required a high level of employee training. The store manager tackled this challenge by getting employees to suggest new ideas. One idea—a "team close," in which employees scheduled to work at the store's closing time closed the store together and walked out together as a team—had a remarkable impact on employee attitudes and commitment.[53] As you'll see throughout the book, innovation is critical throughout all levels and parts of an organization. It's so critical to today's organizations and managers that we also address this topic in other chapters.

LEADER making a DIFFERENCE

Ursula Burns *is the first African American woman to lead a company the size of Xerox.[52] Appointed to the CEO position in 2009, Burns is known for her courage to "tell the truth in ugly times." Having grown up in the projects on the Lower East Side of New York, Burns understands what it takes to get through those uncertainties. With her aptitude for math, Burns went on to earn a mechanical engineering degree from Polytechnic Institute of New York. After a summer engineering internship at Xerox, she was hooked. At Xerox, Burns was mentored by individuals who saw her potential. Throughout her more than 30-year career at Xerox, Burns had a reputation for being bold. As a mechanical engineer, she got noticed because she wasn't afraid to speak up bluntly in a culture that's known more for being polite, courteous, and discreet than for being outspoken. Although Burns is still radically honest and direct, she has become more of a listener, calling herself a "listener-in-chief."* What can you learn from this leader making a difference?

Focus on Sustainability

Microsoft Corporation generated $93.6 billion in software sales and $12.1 billion in profits, and it had a workforce of 118,000 in 2015. We all know Microsoft for its development and sales of software such as Windows, Skype, and Xbox Live. And Microsoft is probably the last company that you'd think about in a section describing sustainability. However, Microsoft invests in a variety of sustainability projects. Management funds these projects through taxes levied on its business units' energy consumption that contributes to environmentally unfriendly carbon emissions. The responsibility for savings falls on division managers. Microsoft's efforts have paid off. In a recent three-year period, the company has reduced its emissions by 7.5 metric tons of carbon dioxide.[54] According to the U.S. Environmental

Protection Agency, this level of emissions is the equivalent of removing more than 1.5 million cars from the road for a year."[55] This corporate action affirms that sustainability and green management have become mainstream issues for managers.

What's emerging in the twenty-first century is the concept of managing in a sustainable way, which has had the effect of widening corporate responsibility not only to managing in an efficient and effective way, but also to responding strategically to a wide range of environmental and societal challenges.[56] Although "sustainability" means different things to different people, the World Business Council for Sustainable Development describes a situation where all the earth's inhabitants can live well with adequate resources.[57] From a business perspective, **sustainability** has been described as a company's ability to achieve its business goals and increase long-term shareholder value by integrating economic, environmental, and social opportunities into its business strategies.[58] Sustainability issues are now moving up the agenda of business leaders and the boards of thousands of companies. We'll examine sustainability and its importance to managers in other places throughout the book.

sustainability
A company's ability to achieve its business goals and increase long-term shareholder value by integrating economic, environmental, and social opportunities into its business strategies

Focus on the Employee

In 2015, more than 75 percent of organizations worldwide indicated that they would follow a strategy of building talent from within their organizations rather than recruiting talent from the external labor force.[59] Also, progressive companies recognize the importance of treating employees well not only because it's simply the right thing to do, but also because it is good business. Well-treated employees are more likely to go the extra mile when performing their jobs. Every year, *Fortune* magazine publishes the list titled Great Places to Work. In 2015, outdoor retailer L.L. Bean was among the top 10 retail companies, and it ranked first for an outdoor retailer. L.L. Bean president and CEO Chris McCormick maintains that L.L. Bean's strong leadership makes it an employer of choice. According to McCormick, "It reflects the work our leadership has done to develop a culture that helps ensure employees feel trusted to do a good job, take pride in their work, and feel that their contributions are truly valued."[60]

Successful managers regularly provide performance feedback that serves as an evaluation of an employee's performance and provides the foundation for discussing developmental opportunities. Effective performance appraisal outcomes depend on clearly communicating performance expectations and the resources available to help employees perform well and providing feedback on how well expectations were met. Also, conversations about an employee's career aspirations in the context of past performance serve a developmental role that will motivate workers to strive for excellence. When performance appraisal works in these ways, the company stands to build a strong talent base. Developmental practices also can support a structure on which to base rewards. Effective managers strive to reward employees with competitive base wages or salary and pay raises that recognize past performance and future potential.

Successful managers often embrace work-life practices and provide encouragement to employees who wish to use them. Such behavior expresses the value the manager and company leadership place on the well-being of employees. The company stands to benefit through higher employee satisfaction, talent retention, and higher employee engagement.[61]

WHY study management?

L01.5   You may be wondering why you need to study management. If you're majoring in accounting or marketing or any field other than management, you may not understand how studying management is going to help your career. We can explain the value of studying management by looking at three things: the universality of management, the reality of work, and the rewards and challenges of being a manager.

The Universality of Management

Just how universal is the need for management in organizations? We can say with absolute certainty that management is needed in all types and sizes of organizations, at all organizational levels and in all organizational work areas, and in all organizations, no matter where they're located. This is known as the **universality of management**.

universality of management
The reality that management is needed in all types and sizes of organizations, at all organizational levels, in all organizational areas, and in organizations no matter where located

Exhibit 1-9
Universal Need for Management

(See Exhibit 1-9.) In all these organizations, managers must plan, organize, lead, and control. However, that's not to say that management is done the same way. What a supervisor in an applications testing group at Twitter does versus what the CEO of Twitter does is a matter of degree and emphasis, not function. Because both are managers, both will plan, organize, lead, and control. How much and how they do so will differ, however.

Management is universally needed in all organizations, so we want to find ways to improve the way organizations are managed. Why? Because we interact with organizations every single day. Organizations that are well managed—and we'll share many examples of these throughout the text—develop a loyal customer base, grow, and prosper, even during challenging times. Those that are poorly managed find themselves losing customers and revenues. By studying management, you'll be able to recognize poor management and work to get it corrected. In addition, you'll be able to recognize and support good management, whether it's in an organization with which you're simply interacting or whether it's in an organization in which you're employed.

★ **Try It 2!**   If your professor has assigned this, go to **www.mymanagementlab.com** to complete *Simulation: Managing Your Career* and get a feel for your career goals.

The Reality of Work

Another reason for studying management is the reality that for most of you, once you graduate from college and begin your career, you will either manage or be managed. For those who plan to be managers, an understanding of management forms the foundation upon which to build your management knowledge and skills. For those of you who don't see yourself managing, you're still likely to have to work with managers. Also, assuming that you'll have to work for a living and recognizing that you're very likely to work in an organization, you'll probably have some managerial responsibilities even if you're not a manager. Our experience tells us that you can gain a great deal of insight into the way your boss (and fellow employees) behave and how organizations function by studying management. Our point is that you don't have to aspire to be a manager to gain something valuable from a course in management.

Rewards and Challenges of Being a Manager

We can't leave our discussion here without looking at the rewards and challenges of being a manager. (See Exhibit 1-10.) What *does* it mean to be a manager in today's workplace?

First, there are many challenges. It can be a tough and often thankless job. In addition, a portion of a manager's job (especially at lower organizational levels) may entail duties that are often more clerical (compiling and filing reports, dealing with bureaucratic procedures, or doing paperwork) than managerial.[62] Managers also spend significant amounts of time in meetings and dealing with interruptions, which can be time

Rewards	Challenges
• Create a work environment in which organizational members can work to the best of their ability	• Do hard work
• Have opportunities to think creatively and use imagination	• May have duties that are more clerical than managerial
• Help others find meaning and fulfillment in work	• Have to deal with a variety of personalities
• Support, coach, and nurture others	• Often have to make do with limited resources
• Work with a variety of people	• Motivate workers in chaotic and uncertain situations
• Receive recognition and status in organization and community	• Blend knowledge, skills, ambitions, and experiences of a diverse work group
• Play a role in influencing organizational outcomes	• Success depends on others' work performance
• Receive appropriate compensation in the form of salaries, bonuses, and stock options	
• Good managers are needed by organizations	

Exhibit 1-10

Rewards and Challenges of Being a Manager

consuming and sometimes unproductive.[63] Managers often have to deal with a variety of personalities and have to make do with limited resources. It can be a challenge to motivate workers in the face of uncertainty and chaos. And managers may find it difficult to successfully blend the knowledge, skills, ambitions, and experiences of a diverse work group. Finally, as a manager, you're not in full control of your destiny. Your success typically is dependent on others' work performance.

Despite these challenges, being a manager *can* be rewarding. You're responsible for creating a work environment in which organizational members can do their work to the best of their ability and thus help the organization achieve its goals. You help others find meaning and fulfillment in their work. You get to support, coach, and nurture others and help them make good decisions. In addition, as a manager, you often have the opportunity to think creatively and use your imagination. You'll get to meet and work with a variety of people—both inside and outside the organization. Other rewards may include receiving recognition and status in your organization and in the community, playing a role in influencing organizational outcomes, and receiving attractive compensation in the form of salaries, bonuses, and stock options. Finally, as we said earlier in the chapter, organizations need good managers. It's through the combined efforts of motivated and passionate people working together that organizations accomplish their goals. As a manager, you can be assured that your efforts, skills, and abilities are needed.

Gaining Insights into Life at Work

A good number of students regularly remind your authors that they are not planning a career in management. These students' career goals are to be accountants or financial analysts or marketing researchers or computer programmers. They ask us: Why do I need to take a management course? Our answer is: Because understanding management concepts and how managers think will help you get better results at work and enhance your career. And who knows, you may become a manager someday. Oftentimes, successful employees are promoted to managerial roles. For example, you may begin your career as an auditor with a major accounting firm and find, a few years later, you're overseeing an audit team or you're a partner thrust into managing a regional office.

For instance, throughout this book you'll encounter pages that we call "Workplace Confidential." This feature will introduce you to challenges you're likely to face at work—like organizational politics, an uncommunicative boss, or an unfair performance review—and offer you specific suggestions on how to deal with these challenges.

If you expect to work with others—whether it's in a Fortune 100 corporation or in a three-person start-up—studying Management can pay demonstrable dividends.

WORKPLACE CONFIDENTIAL Dealing with Organizational Politics

In an ideal world, the good guys always win, everyone tells the truth, and job promotions and generous pay raises go to the most deserving candidate. Unfortunately, we don't live in such an ideal world. The world we live in is a political one.

Politics is a fact of life in organizations. People who ignore this fact do so at their own peril. But why, you may wonder, must politics exist? Isn't it possible for an organization to be politics free? It's possible, but most unlikely.

Organizations are made up of individuals and groups with different values, goals, and interests. This sets up the potential for conflict over resources. Departmental budgets, office allocations, project responsibilities, promotion choices, and salary adjustments are just a few examples of the resources about whose allocation organizational members will disagree.

Resources in organizations are also limited, which turns potential conflict into real conflict. If resources were abundant, then all the various constituencies within the organization could satisfy their goals. But because they are limited, not everyone's interests can be provided for. Furthermore, whether true or not, gains by one individual or group are often perceived as being at the expense of others within the organization. These forces create a competition among members for the organization's limited resources.

Maybe the most important factor leading to politics within organizations is the realization that most of the facts that are used to allocate the limited resources are open to interpretation. What, for instance, is good performance? What's an adequate improvement? What constitutes an unsatisfactory job? One person's team player is another's "yes man." So it is the large and ambiguous middle ground of organizational life—where the facts don't speak for themselves—that politics flourish.

The above explains why some people in the workplace lie, misrepresent, conceal, backstab, play favorites, scheme, pass the buck, deny responsibility, form alliances, or engage in similar political actions.

If you want to improve your political skills at work, we offer the following suggestions:

- ***Frame arguments in terms of organizational goals.*** People whose actions appear to blatantly further their own interests at the expense of the organization are almost universally denounced, are likely to lose influence, and often suffer the ultimate penalty of being expelled from the organization. Challenges to your actions are not likely to gain much support if your actions appear to be in the best interests of the organization.

- ***Develop the right image.*** Make sure you understand what your organization wants and values from its employees—in terms of dress, associates to cultivate and those to avoid, whether to appear to be a risk taker or risk averse, the importance of getting along with others, and so forth. Because the assessment of your performance is rarely a fully objective process, you need to pay attention to style as well as substance.

- ***Gain control of organizational resources.*** The control of organizational resources that are scarce and important is a source of influence. Knowledge and expertise are particularly effective resources to control. These resources make you more valuable to the organization and, therefore, more likely to gain security, advancement, and a receptive audience for your ideas.

- ***Make yourself appear indispensable.*** You don't have to be indispensable as long as key people in your organization believe that you are. If the organization's prime decision makers believe there is no ready substitute for what you bring to the organization, your job is likely safe and you're likely to be treated well.

- ***Be visible.*** If you have a job that brings your accomplishments to the attention of others, that's great. However, if not—without creating the image of a braggart—you'll want to let others know what you're doing by giving progress reports to your boss and others, having satisfied customers relay their appreciation to higher-ups, being seen at social functions, being active in your professional associations, and developing powerful allies who can speak positively about your accomplishments.

- ***Develop powerful allies.*** It is often beneficial to have friends in high places. Network by cultivating contacts with potentially influential people above you, at your own level, and in the lower ranks. These allies often can provide you with information that's otherwise not readily available and provide you with support if and when you need it. Having a mentor in the organization who is well respected is often a valuable asset.

- ***Avoid "tainted" members.*** In almost every organization, there are fringe members whose status is questionable. Their performance and/or loyalty are suspect. Or they have strange personalities. Keep your distance from such individuals. Given the reality that effectiveness has a large subjective component, your own effectiveness might be called into question if you're perceived as being too closely associated with tainted members.

- ***Support your boss.*** Your immediate future is in the hands of your current boss. Because that person evaluates your performance, you'll typically want to do whatever is necessary to have your boss on your side. You should make every effort to help your boss succeed, make her look good, support her if she is under siege, and spend the time to find out the criteria she will use to assess your effectiveness. Don't undermine your boss. And don't speak negatively of her to others.

Based on D. Krackhardt, "Assessing the Political Landscape: Structure, Cognition, and Power in Organizations," *Administrative Science Quarterly*, June 1990, pp. 342–369; G. R. Ferris, S. L. Davidson, and P.L. Perrewé, *Political Skill at Work: Impact on Work Effectiveness* (Mountain View, CA: Davies-Black Publishing, 2005); and J. Bolander, "How to Deal with Organizational Politics," *The Daily MBA*, February 28, 2011.

| Chapter 1 | **PREPARING FOR: Exams/Quizzes** |

CHAPTER SUMMARY by Learning Objectives

LO1.1 TELL who managers are and where they work.

Managers coordinate and oversee the work of other people so that organizational goals can be accomplished. Nonmanagerial employees work directly on a job or task and have no one reporting to them. In traditionally structured organizations, managers can be first-line, middle, or top. In other more loosely configured organizations, the managers may not be as readily identifiable, although someone must fulfill that role.

Managers work in an organization, which is a deliberate arrangement of people to accomplish some specific purpose. Organizations have three characteristics: They have a distinctive purpose, they are composed of people, and they have a deliberate structure. Many of today's organizations are structured to be more open, flexible, and responsive to changes.

LO1.2 EXPLAIN why managers are important to organizations.

Managers are important to organizations for three reasons. First, organizations need their managerial skills and abilities in uncertain, complex, and chaotic times. Second, managers are critical to getting things done in organizations. Finally, managers contribute to employee productivity and loyalty; the way employees are managed can affect the organization's financial performance, and managerial ability has been shown to be important in creating organizational value.

LO1.3 DESCRIBE the functions, roles, and skills of managers.

Broadly speaking, management is what managers do and involves coordinating and overseeing the efficient and effective completion of others' work activities. Efficiency means doing things right; effectiveness means doing the right things.

The four functions of management include planning (defining goals, establishing strategies, and developing plans), organizing (arranging and structuring work), leading (working with and through people), and controlling (monitoring, comparing, and correcting work performance).

Mintzberg's managerial roles include interpersonal, which involve people and other ceremonial/symbolic duties (figurehead, leader, and liaison); informational, which involve collecting, receiving, and disseminating information (monitor, disseminator, and spokesperson); and decisional, which involve making choices (entrepreneur, disturbance handler, resource allocator, and negotiator).

Katz's managerial skills include technical (job-specific knowledge and techniques), interpersonal (ability to work well with people), and conceptual (ability to think and express ideas). Technical skills are most important for lower-level managers, while conceptual skills are most important for top managers. Interpersonal skills are equally important for all managers. Some other managerial skills identified include managing human capital, inspiring commitment, managing change, using purposeful networking, and so forth.

LO1.4 DESCRIBE the factors that are reshaping and redefining the manager's job.

The changes impacting managers' jobs include global economic and political uncertainties, changing workplaces, ethical issues, security threats, and changing technology. Managers must focus on customer service because employee attitudes and behaviors play a big role in customer satisfaction. Managers must focus on technology

as it impacts how things get done in organizations. Managers must focus on social media because these forms of communication are important and valuable tools in managing. Managers must focus on innovation because it is important for organizations to be competitive. Managers must also focus on sustainability as business goals are developed. And finally, managers must focus on employees in order for them to be more productive.

LO1.5 EXPLAIN the value of studying management.

It's important to study management for three reasons: (1) the universality of management, which refers to the fact that managers are needed in all types and sizes of organizations, at all organizational levels and work areas, and in all global locations; (2) the reality of work—that is, you will either manage or be managed; and (3) the awareness of the significant rewards (such as creating work environments to help people work to the best of their ability, supporting and encouraging others, helping others find meaning and fulfillment in work, etc.) and challenges (having to work hard, sometimes having more clerical than managerial duties, interacting with a variety of personalities, etc.) in being a manager.

MyManagementLab

Go to **mymanagementlab.com** to complete the problems marked with this icon ⭐.

⭐ REVIEW AND DISCUSSION QUESTIONS

1-1. What is a manager? How do managers differ from nonmanagerial employees?

1-2. Why are managers important to organizations?

1-3. In today's environment, explain which is more important to organizations—efficiency or effectiveness.

1-4. Is your course instructor a manager? Discuss in terms of managerial functions, managerial roles, and skills.

1-5. Why is it important for managers to focus on the customer?

1-6. Is it more important for managers to focus on technology or innovation?

1-7. Explain why the universality-of-management concept still holds true or doesn't hold true in today's world.

1-8. "Management is undoubtedly one of humankind's most important inventions." Explain why you do or do not agree with this statement.

MyManagementLab

If your professor has assigned these, go to **mymanagementlab.com** for Auto-graded writing questions as well as the following Assisted-graded writing questions:

1-9. Is there one best "style" of management? Why or why not?

1-10. Researchers at Harvard Business School found that the most important managerial behaviors involve two fundamental things: enabling people to move forward in their work and treating them decently as human beings. What do you think of these two managerial behaviors? What are the implications for someone, like yourself, who is studying management?

PREPARING FOR: My Career

✪ PERSONAL INVENTORY ASSESSMENTS

P I A PERSONAL INVENTORY ASSESSMENT

Time Management Assessment

Take a look at how well *you* manage time. This PIA will help you determine how skillfully you do that.

✪ ETHICS DILEMMA

• Fewer than half (47 percent) of companies say they provide their managers with management training opportunities. • 27 percent of companies say that they do not know whether career management programs are working • 59 percent of employees rate their managers as ineffective in conducting career development discussions • 33 percent of companies rate their managers as ineffective in conducting career development discussions.[64] Moving to a management position isn't easy.

1-11. Explain why an organization does or does not have an ethical responsibility to assist its new managers in their new positions.

1-12. What could organizations and employees do to make the transition into a management role easier?

SKILL EXERCISE Developing Your Political Skill

About the Skill

Research has shown that people differ in their political skills.[65] Political skill can be defined as the ability to understand and influence others for the benefit of the individual or the organization.[66] Those who are politically skilled are more effective in their use of influence tactics. Politically skilled individuals are able to exert their influence without others detecting it, which is important in being effective so that you're not labeled political. A person's political skill is determined by his or her networking ability, interpersonal influence, social astuteness, and apparent sincerity.

Steps in Practicing the Skill

• *Develop your networking ability.* A good network can be a powerful tool. You can begin building a network by getting to know important people in your work area and the organization and then developing relationships with individuals in positions of power. Volunteer for committees or offer your help on projects that will be noticed by those in positions of power. Attend important organizational functions so that you can be seen as a team player and someone who's interested in the organization's success. Utilize a professional networking site such as LinkedIn to connect with those you meet. Then, when you need advice on work, use your connections and network with others throughout the organization.

• *Work on gaining interpersonal influence.* People will listen to you when they're comfortable and feel at ease around you. Work on your communication skills so that you can communicate easily and effectively with others. Work on developing good rapport with people in all areas and at all levels of your organization. Be open, friendly, and willing to pitch in. The amount of interpersonal influence you have will be affected by how well people like you.

• *Develop your social astuteness.* Some people have an innate ability to understand people and sense what they're thinking. If you don't have that ability, you'll have to work at developing your social astuteness by doing things such as saying the right things at the right time, paying close attention to people's facial expressions, and trying to determine whether others have hidden agendas.

• *Be sincere.* Sincerity is important to getting people to want to associate with you. Be genuine in what you say and do. And show a genuine interest in others and their situations.

Practicing the Skill

Select each of the components of political skill and spend one week working on it. Write a brief set of notes describing your experiences—good and bad. Were you able to begin developing a network of people throughout the organization or did you work at developing your social astuteness, maybe by starting to recognize and interpret people's facial expressions and the meaning behind those expressions? What could you have done differently to be more politically skilled? Once you begin to recognize what's involved with political skills, you should find yourself becoming more connected and politically adept.

WORKING TOGETHER Team Exercise

College students have many opportunities to start developing management skills. In groups of three or four students, brainstorm a list of skills that managers need. Next, consider how you could start developing these skills while you are in college. Consider both formal opportunities, such as joining organizations, as well as informal opportunities involved with managing your own workload. Create a list of ideas and be prepared to share your list with the class.

MY TURN TO BE A MANAGER

- Use the most current *Occupational Outlook Handbook* (U.S. Department of Labor, Bureau of Labor Statistics) to research three different categories of managers. For each, prepare a bulleted list that describes the following: the nature of the work, training and other qualifications needed, earnings, and job outlook and projections data.

- Get in the habit of reading at least one current business periodical (*Wall Street Journal, Bloomberg BusinessWeek, Fortune, Fast Company, Forbes*, etc.). Sign up to follow a few of these publications on Twitter.

- Explore the social media presence of your favorite company. Like their Facebook page and follow them on Twitter, Instagram, and/or any other social media outlet the company uses.

- Interview two different managers and ask them the following questions: What are the best and worst parts about being a manager? What's the best management advice you ever received? Type up the questions and their answers to turn in to your professor.

- Accountants and other professionals have certification programs to verify their skills, knowledge, and professionalism. What about managers? Two certification programs for managers include the Certified Manager (Institute of Certified Professional Managers) and the Certified Business Manager (Association of Professionals in Business Management). Research each of these programs. Prepare a bulleted list of what each involves.

- If you have work experience, consider managers who you have encountered. Did you work with any good managers? Did you work with any bad managers? Based on your experience, create a list of traits or skills that good managers possess.

CASE APPLICATION 1 The Power of Social Media

In the summer of 2014, the ALS Association (ALSA) learned first-hand about the power of social media.[67] In just a little over a month, more than 17 million people dumped buckets of ice water over their heads, raising more than $115 million for the ALSA in what became known as the Ice Bucket Challenge. To put that number in perspective, the organization raised just $23 million in the entire previous year.

The ALSA is a nonprofit organization that supports the fight against amyotrophic lateral sclerosis (ALS), a disease that affects nerve cells in the brain and spinal cord. Often referred to as Lou Gehrig's disease, ALS affects about 20,000 people in the United States. As this number is far lower than other diseases such as cancer, ALS researchers do not receive as much federal funding, making ALSA's fundraising pivotal for the fight against the disease. In addition to supporting scientific research, the ALSA works to provide compassionate care for ALS patients and advocates for public policies that benefit people living with the disease.

How did the ALSA convince so many people to get involved in this fundraising success? Surprisingly, the organization had very little to do with it. The Ice Bucket Challenge was initiated by Chris Kennedy, a professional golfer whose brother-in-law has ALS. The challenge took off after reaching Pete Frates, a former Boston College baseball player, and his friend Pat Quinn, who both suffer from ALS. From there, the challenge became a worldwide sensation and attracted millions of participants including influential people such as Bill Gates, Mark Zuckerberg, and even President Barack Obama.

The Ice Bucket Challenge spread quickly due to the power of viral videos. Once challenged, individuals recorded themselves getting a bucket of ice water dumped on them and then challenged some friends to do the same. Videos were posted on Facebook and friends were tagged do the challenge. If challenged, you could donate to the ALSA, or get dumped on. However, many people ended up doing the challenge and still donating. Why were people so willing to engage in this unpleasant experience? Carrie Munk, an ALS spokesperson, asked this question of many participants and reported that most people said they did it because they were asked.

Interestingly, many of those friends who were asking knew little about ALS. The movement went well beyond those who already were impacted by the disease. Barbara Newhouse, the CEO of ALSA, did admit the organization helped catalyze the movement with one e-mail to 60,000 on their mailing list, but otherwise it took off on its own. And thus the organization not only had its most successful fundraiser in history, but it also built international awareness of the disease.

Can the Ice Bucket Challenge become a sustainable source of funding for the ALSA? The organization is hoping that it can, initiating a campaign in 2015 to make it an annual event. However, the attempt to repeat the challenge the following year did not see the same results, raising only about 500,000 dollars in the same time frame. This was not a big surprise for the organization. ALSA leadership knew that because of the nature of the giving, the funding would not be sustainable at the same level. Many gave with little awareness, and that does not usually lead to repeat donations. Brian Frederick, ALSA's chief of staff, acknowledged they can't recreate the phenomenon but suggested they can build on the momentum of the 2014 events by making it an annual event.

⭐ DISCUSSION QUESTIONS

1-13. Why is it important for the ALSA management team to understand the importance of social media in their work?

1-14. Do you think the ALSA can continue to rely on the Ice Bucket Challenge to support the organization's fundraising efforts? Why or why not?

1-15. Do you think the Ice Bucket Challenge would have had the same success if the management at ALSA initiated the challenge?

1-16. What can the ALSA learn from this experience to help the organization take advantage of the power of social media in the future?

CASE APPLICATION **2** Who Needs a Boss?

"Holacracy."[68] That's the word of the day at Zappos, the Nevada-based online shoe and apparel retailer. During a four-hour, year-end employee meeting in 2013, CEO Tony Hsieh announced that he was eliminating the company's traditional managerial and structural hierarchy to implement a holacracy. What is a holacracy, you ask? In a nutshell, it's an organizational system with no job titles, no managers, and no top-down hierarchy with upper, middle, or lower levels where decisions can get hung up. The idea behind this new type of arrangement is to focus on the work that needs to be done and not on some hierarchical structure where great ideas and suggestions can get lost in the channels of reporting. The holacracy concept was dreamed up by Brian Robertson, the founder of a Pennsylvania software start-up. Its name comes from the Greek word *holos,* a single, autonomous, self-sufficient unit that's also dependent on a larger unit.[69] A simple explanation of Robertson's vision of a holacracy is workers as partners, job descriptions as roles, and partners organized into circles.[70] (It might help in grasping

this idea by thinking of these employee circles as types of overlapping employee groups but with more fluid membership and individual roles and responsibilities.)

In these circles, employees can take on any number of roles, and the expectation is that each employee will help out wherever he or she can. Without titles or a hierarchy, anyone can initiate a project and implement innovative ideas. The hope is that circle members will pool ideas and watch out for each other. The goal is radical transparency and getting more people to take charge. Yet, trusting individuals who probably know the details of the job better than any manager to work conscientiously, creatively, and efficiently is good as long as there is a way to keep standards high. The last thing Zappos wants is for a slacker mentality to take hold.

Hsieh has always approached leading his business in unique and radical ways. He strongly believes in the power of the individual and has created a highly successful organization (which is now part of Amazon) that's known for its zany culture, where corporate values are matched with personal values and where "weirdness and humility" are celebrated.[71] However, as the company moves away from the traditional work model to this new system, it may face some challenges. Both Zappos and Robertson caution that while a holacracy might eliminate the traditional manager's job, there is still structure and accountability. Poor performers will be obvious because they won't have enough "roles" to fill their time, or a circle charged with monitoring the company's culture may decide they're not a good fit. Also, just because there are no traditional managers doesn't mean that leaders won't emerge. But it will be important to watch for dominant personalities emerging as authority figures, which could potentially cause other employees to be resentful or to rebel. Zappos says that it will not be leaderless. Some individuals will have a bigger role and scope of purpose, but leadership is also distributed and expected in each role. "Everybody is expected to lead and be an entrepreneur in their own roles, and holacracy empowers them to do so."[72] Also, there will be some structure arrangement where "the broadest circles can to some extent tell subgroups what they're accountable for doing."[73] But accountability, rather than flowing only up, will flow throughout the organization in different paths. Other challenges they're still trying to figure out include who has the ultimate authority to hire, fire, and decide pay. The hope is that eventually the authority for each of these roles will be done within the holacratic framework as well. So, if no one has a title and there are no bosses, is Tony Hsieh still the CEO? So far, he hasn't publicly commented about how his own role is impacted.

⭐ DISCUSSION QUESTIONS

1-17. What is a holacracy?

1-18. What benefits do you see to an organization where there are no job titles, no managers, and no hierarchy?

1-19. What challenges does a holacratic approach have?

1-20. Discuss why you would or would not like to work in an organization like this.

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