

<h1>CHAPTER 1</h1>	<h1>MANAGERS AND MANAGEMENT IN TODAY’S WORKPLACE</h1>
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LEARNING OUTCOMES

After reading this chapter, students should be able to:

- 1-1. Tell who managers are and where they work.
- 1-2. Define *management*.
- 1-3. Describe what managers do.
- 1-4. Explain why it’s important to study management.
- 1-5. Describe the factors that are reshaping and redefining management.
- 1-6. Describe the key employability skills gained from studying management that are applicable to your future career, regardless of your major.

Management Myth

MYTH: Only those who want to be managers need to take a course in management.

TRUTH: Anyone who works in an organization—not just managers—can gain insight into how organizations work and the behaviors of their boss and coworkers by taking a course in management.

SUMMARY

Everyone seems to think they know what makes a good leader. They think it is common sense, but you don’t have to be a manager, or aspire to be a manager, in order to gain something from a management course.

Teaching Tips:

Get students to give some examples of good managers. Ask if it matters if the manager is young or old, male or female? Is management necessary in non-profit organizations and small companies like it is in for-profit and large companies?

I. WHO ARE MANAGERS, AND WHERE DO THEY WORK?

A. Introduction

1. Managers work in an organization.
2. An organization is a deliberate arrangement of people brought together to accomplish some specific purpose.
 - a) Your college or university is an organization. So is a football team and a sorority.

B. What Three Characteristics Do All Organizations Share?

1. Every organization has a distinct purpose and is made up of people who are grouped in some fashion.
 - a) See Exhibit 1-1.
 - b) This distinct purpose is typically expressed in terms of a goal or set of goals.
2. Purposes or goals can only be achieved through people.
3. All organizations develop a systematic structure that defines and limits the behavior of its members.
 - a) Developing a structure may include creating rules and regulations, giving some members supervisory control, forming teams, etc.

C. How Are Managers Different from Nonmanagerial Employees?

1. Organizational members fit into two categories: nonmanagerial employees and managers.
 - a) **Nonmanagerial employees** work directly on a job or task and have no oversight on the responsibility of others.
 - b) **Managers** direct the activities of other people in the organization.
 - 1) Customarily classified as top, middle, or first line, they supervise both nonmanagerial employees and lower-level managers.
 - 2) See Exhibit 1-2.
 - 3) Some managers also have nonmanagerial responsibilities themselves.
2. The distinction between non-managers and managers is that managers have employees who report directly to them.

Classic Concepts in Today’s Workplace

The terms *management* or *manager* come from a number of sources. One source says that the word *manager* originated in 1588 to describe one who manages. The specific use of the word as “one who conducts a house of business or public institution” is said to have originated in 1705. Another source says that the origin (1555–1565) is from the word ‘*maneggiare*,’ which meant “to handle or train horses,” and was a derivative of the word *mano*, which is from the Latin word for hand, *manus*. This origin arose from the way that horses were guided, controlled, or directed where to go—by using one’s hand.

The words management and manager are more appropriate to the early twentieth century. Peter Drucker, the late management writer, studied and wrote about management for more than 50 years. The word *management* was first popularized by Frederick Winslow Taylor. In 1911, Taylor’s book *Principles of Scientific Management* was published. Its contents were widely embraced by managers around the world. The book described the theory of **scientific management**: the use of scientific methods to define the “one best way” for a job to be done. He spent more than two decades passionately pursuing the “one best way” for such jobs to be done. Based on his groundbreaking study of manual workers using scientific principles, Taylor became known as the “father” of scientific management. Some of these techniques like the analysis of basic work that must be performed and time-and-motion studies are still used today.

D. What Titles Do Managers Have?

1. **Top managers** are responsible for making decisions about the direction of the organization and establishing policies that affect all organizational members.
 - a) Top managers have titles including vice president, managing director, chief operating officer, chancellor, etc.
2. **Middle managers** represent levels of management between the first-line supervisor and top management.
 - a) They manage other managers and possibly some nonmanagerial employees.
 - b) They are responsible for translating the goals set by top management into specific details.
3. First-line managers are usually called supervisors, shift managers, etc.
 - a) They are responsible for directing the day-to-day activities of nonmanagerial employees.
4. Team leaders are responsible for managing and facilitating activities of a work team.
 - a) They typically report to a first-line manager.

II. WHAT IS MANAGEMENT?

1. Management can be defined as the process of getting things done effectively and efficiently, through and with other people.
 - a) The term “process” in the definition represents the primary activities managers perform.
2. Effectiveness and efficiency deal with what we are doing and how we are doing it.

- a) Efficiency means doing the task right and refers to the relationship between inputs and outputs. Management is concerned about minimizing resource costs while achieving the desired output.
 - b) Effectiveness means doing the right task, and in an organization, that translates into goal attainment.
 - c) See Exhibit 1-3.
3. Efficiency and effectiveness are interrelated.
- a) It’s easier to be effective if one ignores efficiency.
 - b) Good management is concerned with both the attainment of goals (effectiveness) and efficiency in the process.

III. WHAT DO MANAGERS DO?

A. Describing what managers do is a difficult task

- 1. While the job of manager varies from organization to organization, they do share some common elements.
- 2. Management researchers have developed three approaches to describe what managers do: functions, roles, and skills/competencies.

B. The 4 Functions Approach

- 1. See Exhibit 1-4; planning, organizing, leading, and controlling.
- 2. These processes are interrelated as well as interdependent.
- 3. Planning encompasses defining an organization’s goals, establishing an overall strategy for achieving those goals, and developing plans to coordinate activities.
- 4. Organizing—determining what tasks are to be done, who is to do them, how the tasks are grouped, who reports to whom, and where decisions are to be made.
- 5. Directing and coordinating people is the leading component of management.
 - a) Leading involves motivating employees, directing the activities of others, selecting the most effective communication channel, and resolving conflicts.
- 6. Controlling.
 - a) To ensure that things are going as they should, a manager must monitor the organization’s performance.
 - b) Actual performance must be compared with the previously set goals.
 - c) Any significant deviations must be addressed.
 - d) Monitoring, comparing, and correcting are the controlling process.

MyLab Management Try It!: If your instructor has assigned this activity, go to www.pearson.com/mylab/management to complete the writing assignment.

C. Management Roles Approach

1. Fayol’s original applications represented mere observations from his experiences in the French mining industry.
2. In the late 1960s, Henry Mintzberg provided empirical insights into a manager’s job. He undertook a careful study of five chief executives at work.

Mintzberg provided a categorization scheme for defining what managers do on the basis of actual managers on the job—Mintzberg’s managerial roles.

Mintzberg concluded that managers perform 10 different but highly interrelated roles.

- a) These 10 roles are shown in Exhibit 1-5.
- b) They are grouped under three primary headings:
 - 1) Interpersonal roles—figurehead, leader, liaison
 - 2) Informational roles—spokesperson, disseminator, monitor
 - 3) Decisional roles—entrepreneur, disturbance handler, resource allocator, negotiator

D. What Skills and Competencies Do Managers Need?

1. Robert Katz proposed that managers must possess and use four critical management skills.
 - a) **Conceptual skills**—used to analyze and diagnose complex situations.
 - b) **Interpersonal skills**—involved with working well with other people, both individually and in groups.
 - c) **Technical skills**—job-specific knowledge and techniques needed to perform work tasks.
 - d) **Political skills**—to build a power base and establish the right connections.

E. Is the Manager’s Job Universal?

1. Level in the Organization: The importance of managerial roles varies depending on the manager’s level in the organization.
 - a) The differences in managerial roles are of degree and emphasis, but not of activity.
 - b) As managers move up, they do more planning and less direct overseeing of others.
 - 1) See Exhibit 1-6.
 - c) The amount of time managers give to each activity is not necessarily constant.
 - d) The content of the managerial activities changes with the manager’s level.
 - 1) Upper-level managers are concerned with designing the overall organization’s structure.

- e) Lower-level managers focus on designing the jobs of individuals and work groups.
2. Profit versus Not-for-Profit.
- a) The manager’s job is mostly the same in both profit and not-for-profit organizations.
 - b) All managers make decisions, set objectives, create workable organization structures, hire and motivate employees, secure legitimacy for their organization’s existence, and develop internal political support in order to implement programs.
 - c) The most important difference is measuring performance, profit, or the “bottom line.”
 - d) There is no such universal measure in not-for-profit organizations.
 - e) Making a profit for the “owners” of not-for-profit organizations is not the primary focus.
3. Size of Organization.
- a) Definition of small business and the part it plays in our society.
 - 1) There is no commonly agreed-upon definition.
 - b) Small business—any independently owned and operated profit-seeking enterprise that has fewer than 500 employees.
 - c) The role of managing a small business is different from that of managing a large one.
 - 1) See Exhibit 1-7.
 - 2) The small business manager’s most important role is that of spokesperson (outwardly focused).
 - 3) In a large organization, the manager’s most important job is deciding which organizational units get what available resources (inwardly focused).
 - 4) The entrepreneurial role is least important to managers in large firms.
 - 5) A small business manager is more likely to be a generalist.
 - 6) The large firm’s manager’s job is more structured and formal than the manager in a small firm.
 - 7) Planning is less carefully orchestrated in the small business.
 - 8) The small business organizational design will be less complex and structured.
 - 9) Control in the small business will rely more on direct observation.
 - d) We see differences in degree and emphasis, but not in activities.
4. Management Concepts and National borders.
- a) Studies that have compared managerial practices between countries have not generally supported the universality of management concepts.
 - 1) In Chapter 3, we will examine some specific differences between countries.

- b) Most of the concepts we will be discussing primarily apply to the United States, Canada, Great Britain, Australia, and other English-speaking democracies.
- c) Concepts may need to be modified when working with India, China, Chile, or other countries where economic, political, social, or cultural environments differ greatly from that of the so-called free-market democracies.

IV. WHY STUDY MANAGEMENT?

A. Reasons

- 1. We all have a vested interest in improving the way organizations are managed.
 - a) We interact with them every day of our lives.
 - 1) Examples of problems that can largely be attributed to poor management.
 - b) Those that are poorly managed often find themselves with a declining customer base and reduced revenues.
- 2. The reality that once you graduate from college and begin your career, you will either manage or be managed.
 - a) An understanding of the management process is the foundation for building management skills.
 - b) You will almost certainly work in an organization, be a manager, or work for a manager.
 - c) You needn’t aspire to be a manager in order to gain something valuable from a course in management.

V. WHAT FACTORS ARE RESHAPING AND REDIFINING MANAGEMENT?

A. Introduction

- a) Managers are dealing with changing workplaces, a changing workforce, changing technology, and global economic uncertainties.
- b) Managers everywhere are likely to have to manage in changing circumstances, and the fact is that *how* managers manage is changing.

B. Why Are Customers Important to the Manager’s Job?

- 1. Without customers, the organization wouldn't survive.
- 2. Employee attitudes and behaviors play a big role in customer satisfaction.
- 3. Managers must create a customer responsive organization.

C. Why Is Innovation Important to the Manager’s Job?

- 1. Not being innovative in today's world is risky.
- 2. Managers need to understand what, when, where, how, and why innovation can be fostered and encouraged throughout the organization.
- 3. Managers not only need to be innovative, but they must foster it in others.

MyLab Management: Watch It!: If your instructor has assigned this activity, go to www.pearson.com/mylab/management to complete the writing assignment.

Making Ethical Decisions in Today’s Workplace

Fifty percent of employees have left a job to get away from a manager.

Three hundred nineteen to three hundred ninety-eight billion dollars is the estimated annual cost to the U.S. economy of disengaged managers. Managers’ engagement with their jobs and organization has a direct impact on whether employees are engaged with their jobs and organizations.

Thirty-two percent of employees rated their boss as “horrible” in a Monster.com survey.

Moving to a management position isn’t easy, as these statistics indicate. *If your professor has assigned this, go to the Assignments section of www.pearson.com/mylab/ management to complete these discussion questions.*

Talk About It:

- Looking at these statistics, what is the potential ethical dilemma here? What stakeholders might be affected and how might they be affected? What personal, organization, and environmental factors might be important? What are possible alternatives to addressing the potential ethical issue(s)? What alternative(s) would you choose and what would you need to act on it?
- What could organizations do to help their managers be better at managing?

Managing Technology in Today’s Workplace

Is It Still Managing When What You’re Managing Are Robots?

It shouldn’t be surprising that the office of tomorrow will be heavily populated by robots. What happens to the manager’s job when this happens? And how will these new (robotic) employees affect their human counterparts? From the evidence that exists, it appears that people find it easy to interact with robots as co-workers.

Students should think about:

- Defining managers and management under this type of setting.
- Conducting research on telepresence and telepresence robots. How might this technology change the way workers and managers work together?
- What’s your response to the title of this box: *Is it still managing when what you’re managing are robots?*
- If you had to “manage” people and robots, how do you think your job as manager might be different than what the chapter describes?

Teaching Tips:

Have students think about several recent innovations, i.e., smart phones. How out of place would these technologies have been 20, 50, or 100 years ago? Once we start to use a new technology, how long does it take before the ‘awe’ factor wears off?

D. Importance of Social Media to the Manager’s Job

1. **Social media**—forms of electronic communication through which users create online communities to share ideas, information, personal messages, and other content.
2. Employees can use social media for work purposes. Several examples are discussed in the text about companies using social media to manage human resource issues and to foster communication and collaboration throughout the company.
3. It can also be a problem and managers must be careful that social media does not turn the organization into a place where people boast, brag, or send one-way messages to employees.

E. Importance of Sustainability to the Manager’s job

1. **Sustainability**—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.
 - a) This is becoming more important.
 - b) Managers must look at corporate social responsibility not only to manage in an efficient and effective way but also responding strategically to a wide range of environmental and social challenges.

VI. WHAT EMPLOYABILITY SKILLS ARE CRITICAL FOR GETTING AND KEEPING A JOB?

A. Studying management can help you develop and improve your employability skills.

1. Having a solid foundation in skills such as critical thinking, communications, problem solving, collaboration can be beneficial for entry-level employees and working professionals.
 - a) Critical thinking involves purposeful and goal-directed thinking used to define and solve problems and to make for form judgments related to a particular situation or set of circumstances.
 - b) Communication is defined as effective use of oral, written, and nonverbal communications skills for multiple purposes; effective listening; using technology to communicate; and being able to evaluate the effectiveness of communication efforts—all within diverse contexts.
 - c) Collaboration is a skill in which individuals can actively work together on a task, constructing meaning and knowledge as a group through dialogue and negotiation that results in a final product reflective of their joint, interdependent actions.
 - d) Knowledge application and analysis is defined as the ability to learn a concept and then apply that knowledge appropriately in another setting to achieve a higher level of understanding.
 - e) Social responsibility includes skills related to both business ethics and corporate social responsibility.

B. Wrapping It Up

1. Being a manager is both challenging and exciting.

2. Gallup polls indicate that the single most important variable in employee productivity and loyalty is the quality of the relationship between employees and their direct supervisors.
3. Gallup also found that the relationship with their manager is the largest factor in **employee engagement**—which is when employees are connected to, satisfied with, and enthusiastic about their jobs— accounting for at least 70 percent of an employee’s level of engagement.
4. Research also shows that talented managers contribute about 48 percent higher profit to their companies than do average managers. Another study found that when a poor manager was replaced by a talented one, employee productivity increases by 12 percent.

KNOWING: GETTING READY FOR EXAMS/QUIZZES

CHAPTER SUMMARY

- 1-1 **Tell who managers are and where they work.** Managers are individuals who work in an organization directing and overseeing the activities of other people. Managers are usually classified as top, middle, or first-line. Organizations, which are where managers work, have three characteristics: goals, people, and a deliberate structure.
- 1-2 **Define *management*.** Management is the process of getting things done, effectively and efficiently, with and through other people. Efficiency means doing a task correctly (“doing things right”) and getting the most output from the least amount of inputs. Effectiveness means “doing the right things” by doing those work tasks that help the organization reach its goals.
- 1-3 **Describe what managers do.** What managers do can be described using three approaches: functions, roles, and skills/competencies. The functions approach says that managers perform four functions: planning, organizing, leading, and controlling. Mintzberg’s roles approach says that what managers do is based on the 10 roles they use at work, which are grouped around interpersonal relationships, the transfer of information, and decision making. The skills/competencies approach looks at what managers do in terms of the skills and competencies they need and use. Four critical management skills are conceptual, interpersonal, technical, and political. Additional managerial competencies include aspects such as dependability, personal orientation, emotional control, communication, and so forth. All managers plan, organize, lead, and control, although how they do these activities and how often they do them may vary according to level in the organization, whether the organization operates for profit or not-for-profit, the size of the organization, and the geographic location of the organization.
- 1-4 **Explain why it’s important to study management.** One reason it’s important to study management is that all of us interact with organizations daily so we have a vested interest in seeing that organizations are well managed. Another reason is that in your career, the reality is that you will either manage or be managed. By studying management, you can gain insights into the way your boss and fellow employees behave and how organizations function.

- 1-5 Describe the factors that are reshaping and redefining management.** In today’s world, managers are dealing with changing workplaces, a changing workforce, global economic and political uncertainties, and changing technology. Four areas of critical importance to managers are delivering high-quality customer service, encouraging innovative efforts, using social media efficiently and effectively, and recognizing how sustainability contributes to an organization’s effectiveness.
- 1-6 Describe the key employability skills gained from studying management that are applicable to your future career, regardless of your major.** The key employability skills gained from studying management include critical thinking, communication, collaboration, knowledge application and analysis, and social responsibility. These skills will help you be successful in a variety of business settings.

DISCUSSION QUESTIONS

1-1 What is an organization and what characteristics do organizations share?

Answer: An organization is a systematic arrangement of people brought together to accomplish some specific purpose. All organizations share three common characteristics: 1) Every organization has a purpose and is made up of people who are grouped in some fashion; 2) No purpose or goal can be achieved by itself, therefore organizations have members; 3) All organizations develop a systematic structure that defines and limits the behavior of its members.

Learning Outcome 1-1: Tell who managers are and where they work.

AACSB: Reflective thinking

1-2 How do managers differ from nonmanagerial employees?

Answer: Nonmanagerial employees are people who work directly on a job or task and have no responsibility for overseeing the work of others. Nonmanagerial employees may be referred to by names such as associates, team members, contributors, or even employee partners. Managers, on the other hand, are individuals in an organization who direct and oversee the activities of other people in the organization. This distinction doesn’t mean, however, that managers don’t ever work directly on tasks. Some managers do have work duties not directly related to overseeing the activities of others.

Learning Outcome 1-1: Tell who managers are and where they work.

AACSB: Analytical thinking

1-3 In today’s environment, which is more important to organizations—efficiency or effectiveness? Explain your choice.

Answer: Management is the process of getting things done, effectively and efficiently, through and with other people. Effectiveness and efficiency deal with what we are doing and how we are doing it. Efficiency means doing the task right and refers to the relationship between inputs and outputs. Effectiveness means doing the right task, which translates into goal attainment. Efficiency and effectiveness are interrelated.

It’s easier to be effective if one ignores efficiency. Good management is attaining goals (effectiveness) and doing so as efficiently as possible. Organizations can be efficient and yet

not effective. High efficiency is associated more typically with high effectiveness. Poor management is most often due to both inefficiency and ineffectiveness or to effectiveness achieved through inefficiency.

To address the question of which is more important, it depends. Doing the right tasks may keep a business in business—keep the doors open and meet payroll. Doing the wrong tasks may close the doors and send everyone home.

Suppose you are the owner and manager of a CPA firm. Over the years, your organization has developed a long-term relationship with a number of customers who come to you each year to prepare their income tax return.

If you chose to emphasize efficiency over effectiveness, what might happen? You might create an infrastructure that, at least in the short-run, would be very efficient. Suppose you have one person handle a customer’s tax return preparation from start to finish (sounds like a silo). You could have your accountants specialize in the type of customers they work with, so they could become even more efficient in completing the tax returns (we’ll talk about job specialization more in the history module and chapter five). You could create a compensation system where accountants who could document their ability to complete tax returns in less time were rewarded. Let’s come back to this concept in a minute.

What if you chose to emphasize effectiveness over efficiency? Suppose that it is one of your organization’s goals to guarantee accurate preparation of income tax returns. You may decide to send all employees to training to learn the most up-to-date advice available regarding tax law. You may also see that all of your employees have training each year in any changes being implemented by the Internal Revenue Service. You might also create an infrastructure that would seem to be less efficient. For example, you might require that each tax return be reviewed by three separate accountants, one of whom must be a senior accountant, before it is released to the customer. You may require all accountants to work with a wide variety of tax returns so they will develop a broader base of expertise.

In the first example (the efficient office), everything might move quickly from start to finish but your control system may be weak. When customers begin to be audited by the IRS and learn that your efficient operation was not necessarily effective (tax returns are not correct according to tax law and IRS requirements), your customer base may quickly disappear and your ability to continue in business could be at risk.

In the second example (the effective office), everything and everyone may be very knowledgeable, thorough, correct, and expensive. When your customers begin to figure out that your charges are higher than those paid by some of their friends for similar services, your customer base may quickly disappear and your ability to continue in business could be at risk.

As an effective manager can you afford to separate effectiveness and efficiency? Probably not. You need to pursue the right goals (effectiveness) and you need to use resources wisely (efficiency). Since the two are so closely interrelated, understanding the fine balance between them is an important part of how you become an effective manager.

Learning Outcome 1-2: Define *management*.

AACSB: Analytical thinking

1-4 What similarities do you see among the four management functions?

Answer: This item can be assigned as a Discussion Question in MyLab Management. Student responses will vary.

Learning Outcome 1-3: Describe what managers do.

AACSB: Analytical thinking

- 1-5 **Using any of the popular business periodicals (such as *Bloomberg BusinessWeek*, *Fortune*, *Wall Street Journal*, *Fast Company*), find examples of managers doing each of the four management functions. Write up a description and explain how these are examples of that function.**

Answer: Students answers will vary depending on the articles selected, but each should include the basic functions.

- Planning—encompasses defining an organization’s goals, establishing an overall strategy for achieving those goals, and developing comprehensive plans to integrate and coordinate.
- Organizing—determining 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.
- Leading—managers motivate employees, direct the activities of others, select the most effective communication channel, or resolve conflicts among members.
- Controlling—to ensure that things are going as they should, a manager must monitor performance. The controlling processes include monitoring, comparing, and correcting.

Learning Outcome 1-3: Describe what managers do.

AACSB: Knowledge application

- 1-6 **Is your course instructor a manager? Discuss in terms of planning, organizing, leading, and controlling. Also discuss using Mintzberg’s managerial roles approach.**

Answer: A college instructor is both an individual contributor and a manager. He/she is in a nonmanagerial role when he/she produces “the product” of the university. But he/she is also a manager in that he/she must manage the class and students.

In terms of:

- Planning—the instructor defines class goals, establishes the semester plan for achieving them, and develops lesson plans to integrate and coordinate these efforts.
- Organizing—not as much, as he/she is primarily responsible for execution but may need to if he/she uses class participation.
- Leading—should be relatively obvious, motivating students, direct the activities of others, select the most effective communication channel, or resolve conflicts among members.
- Controlling—ah, grading!

For the sake of space, suggestions will be limited to Mintzberg’s three primary categories.

- Interpersonal—the roles of leader and liaison.
- Informational—monitor and disseminator.

- Decisional—disturbance handler and resource allocator.

Learning Outcome 1-3: Describe what managers do.

AACSB: Knowledge application

1-7 **Can business management be called a profession? Why or why not? Do some external research in answering this question.**

Answer: Student answers will vary although it could easily be determined that business management is a profession. Efficient and effective managers are critical to the success of every organization. The need for good managers transcends industries and organizations, and the skill sets are similar across the various disciplines. The generic properties of management are found mainly in the world’s democracies. Management practices are universally transferable outside to most free-market democracies, although outside these cultures, the roles may change.

Learning Outcome 1-2: Define *management*.

AACSB: Analytical thinking

1-8 **Is there one best “style” of management? Why or why not?**

Answer: This item can be assigned as a Discussion Question in MyLab Management. Student responses will vary.

Learning Outcome 1-2: Define *management*.

AACSB: Analytical thinking

1-9 **In what ways can managers at each of the four levels of management contribute to efficiency and effectiveness?**

Answer: Top managers are usually responsible for making decisions about the direction of the organization and establishing policies and philosophies that affect all organizational members. Middle managers are typically responsible for translating the goals set by top managers into specific details that lower-level managers will see get done. First-line managers are those individuals responsible for directing the day-to-day activities of nonmanagerial employees. Team leaders are responsible for managing and facilitating the activities of a work team. Team leaders will typically report to a first-line manager.

Learning Outcome 1-1: Tell who managers are and where they work.

AACSB: Analytical thinking

1-10 **Do all organizations need managers? Explain.**

Answer: Most students will probably agree that organizations need leadership and control. Whether those tasks are carried out by managers or in other ways is a matter of opinion.

Learning Outcome 1-3: Describe what managers do.

AACSB: Knowledge application

1-11 **Explain how the 4 functions approach is better than the roles approach and the skills and competencies approach for describing what managers do.**

Answer: The four functions suggests that managers perform four functions: planning, organizing, leading, and controlling, while the skills and competencies approach describe the skills and competencies managers need and use. The roles approach focuses on the 10 roles managers use at work. Students will probably suggest that the four functions approach revolves around what managers actually achieve rather than the skills they have or the roles they take on.

Learning Outcome 1-3: Describe what managers do.

AACSB: Knowledge application

Management Skill Builder: Becoming Politically Adept

If you want to succeed as a manager, it helps to be politically adept. Research has shown that people differ in their political skills. Those who are politically skilled are more effective in their use of influence tactics. Political skill also appears to be more effective when the stakes are high. Finally, 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 (1) his or her networking ability, (2) interpersonal influence, (3) social astuteness, and (4) apparent sincerity.

MyLab Management: Personal Inventory Assessment: Using Influence Strategies

Take a look at how well you use influence strategies. This PIA will help you determine how skillfully you do that and what you need to work on.

Skill Basics

If students want to be more politically adept in their organizations, they should follow these steps:

- Develop your networking ability.
- Work on gaining interpersonal influence.
- Develop your social astuteness.
- Be sincere.

Practicing the Skill

Take each of the components of political skill and spend one week working on it as you navigate your school life and work life. Keep a brief set of notes describing your experiences—good and bad. Were you able to begin developing a network of people you could rely on or connect with for school or work commitments? How did you try to become better at influencing those around you? Did you work at communicating better or at developing a good rapport with coworkers or class project team members? 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? Did you make a conscious effort to be more sincere in your relationships with others, especially those that are not close friends? 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 better able to influence others—that is, more politically adept.

Experiential Exercise

Welcome to our annual management R&R (retreat and retrospective)! We thought we’d have some fun this year playing a game we’re calling “Good Boss, Bad Boss.” What, you ask, is “Good Boss, Bad Boss?” It’s an activity in which we’re going to explore what “good” bosses are like and what they do and what “bad” bosses are like and what they do. We hope in completing this that (1) you’ll have fun talking about this with your team, sharing stories and experiences, and (2) maybe, just maybe, you’ll recognize your own characteristics and behaviors as a “boss.” Are you more like a “good” boss or a “bad” boss? While we’re doing this as a fun activity, we encourage you to stop and think about how we (all of us) “manage/lead” and its impact on our employees. And always remember, through our actions and behaviors, we DO affect our employees’ work experiences and efforts!

Here are your instructions:

- (1) In your “assigned” team, talk about good bosses. What do they do that makes them “good”? What characteristics do they have? How do they treat employees? How do they get their employees to be efficient and effective? Then, do the same thing for bad bosses. What do they do that makes them “bad”? What characteristics do they have? How do they treat employees? How do they discourage their employees from being efficient and effective? To help you get started, think about bosses you’ve had—or maybe even about successes/failures you’ve had as you’ve “bossed”!
- (2) Make a master list of your ideas about “good” bosses and one for “bad” bosses.
- (3) Create a chart summarizing this information that you can share with the rest of the groups. Although it’s not required, if you can think of an appropriate meme or other visual, create and share that also.
- (4) Finally, identify three “takeaways” that you think are most important from what your team discussed. What are the three traits of bosses that everyone wants to work for? Make a list of these and briefly explain why you think they’re important. Focus on what we (all of the company managers) might do to be bosses who would be considered “good”! We plan to compile all of these and use them in our management training modules.

Teaching Tip:

One place to start looking for management skills is in Exhibit 1-4. This figure lays out the four functions of management—basic skills that are required of each manager. Another good academic reference would be Katz’s three skills: technical skills, human skills, and conceptual skills. For skills that are tied to specific positions, suggest having students go to the U.S. Bureau of Labor Statistics Web site. On this Web site, students can look at the *Occupational Outlook* that breaks demand and skill requirements for each major job in the U.S. For the second part of the assignment, students should be able to search the Internet and find a variety of certifications, some for human resources, some for project managers, and some for IT professionals. Almost every major profession has its own certifications and information is readily available.

Case Application 1: Training Better Managers...Now at Walmart

Discussion Questions

- 1-13 Why would a company want employees in lower-level management positions to be more successful in their careers? (Hint: Think efficiency/effectiveness and the four functions of management.)

Answer: Student responses will vary. Many students will suggest that because lower-level managers are responsible for directing the day-today activities of nonmanagerial employees and/or team leaders their success is directly related to the success of the organization. Good managers are concerned with attaining goals (effectiveness) and doing so as efficiently as possible as they plan, organize, lead, and control.

Learning Outcome 1-2: Define *management*.

AACSB: Analytical thinking

- 1-14 What benefits and challenges do you see to a training program such as this?

Answer: Student responses will vary depending on individual opinions of the value and quality of the training program offered by Walmart Academy. Most students will probably see the program as beneficial in that it develops managerial skills and formalizes processes. Students will probably agree that the sheer size of Walmart and the nature of its employees and store locations will make it difficult to maintain consistency from location to location. So far, just 150,000 individuals have gone through the program. Some students may wonder whether the program needs to be modified for different cultures. Walmart has stores in 28 different countries and it is unlikely that the same training program can be used unchanged across that number of cultures.

Learning Outcome 1-4: Explain why it’s important to study management.

AACSB: Analytical thinking

- 1-15 What additional managerial topics might you suggest be covered in the Walmart Academy Training Program? Think in terms of the three ways to look at what managers do.

Answer: Student responses will vary based upon individual opinions of managerial skills and success. The Walmart Academy program focuses on advanced retail skills—merchandising, ordering, and inventory control—plus managerial skills – better communication and motivating employees. Some students might recommend including topics in developing critical thinking skills or political skills. Other students might suggest a bigger focus on leadership skills or problem-handling skills. Still other students might propose topics related to planning and organizing. Regardless of their suggestions for additional topics, students should demonstrate their understanding of the different ways to look at what managers do.

Learning Outcome 1-3: Describe what managers do.

AACSB: Analytical thinking

- 1-16 Many college graduates are reluctant to pursue a career in a retail organization...even at the world’s largest. Discuss how a company like Walmart could attract talented graduates.

Answer: Student responses will vary based upon individual opinions of a career at companies like Walmart. For example, many students will focus on the lack of upward mobility in the company and suggest that if Walmart wants to attract top graduates, it needs to offer clear managerial paths. Other students might focus on issues related to benefits and suggest that if Walmart creates meaningful benefits, it will increase its attractiveness to top employees. In general, students will probably suggest that Walmart identify why graduates choose other career paths and then work toward creating a situation that offers similar features.

Learning Outcome 1-6: Describe the key employability skills gained from studying management that are applicable to your future career, regardless of your major.

AACSB: Analytical thinking

- 1-17 Does an organization have an ethical responsibility to assist new managers’ transition into their positions? Why or why not?

Answer: Student responses will vary depending on individual ethics. In responding to the question, students should focus on the relationship between the employee and the employer and how that relationship can be a successful partnership.

Learning Outcome 1-5: Describe the factors that are shaping and redefining management.

AACSB: Analytical thinking

Case Application 2: Who Needs a Boss?

Discussion Questions

- 1-18 What is a holacracy?

Answer: A holacracy is 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.

Learning Outcome 1-1: Tell who managers are and where they work.

AACSB: Analytical thinking

- 1-19 What benefits do you see to an organization holacracy is where there are no job titles, no managers, and no hierarchy?

Answer: Student responses will vary, however most will focus on the benefits of the upward/downward/sideways communication that is possible in this type of organization.

Learning Outcome 1-1: Tell who managers are and where they work.

AACSB: Analytical thinking

1-20 What challenges does a holacratic approach have?

Answer: Student responses will vary, however many will focus on the complexity of this type of organization where clearly defined channels of communication are missing.

Learning Outcome 1-1: Tell who managers are and where they work.

AACSB: Analytical thinking

1-21 Discuss why you would or would not like to work in an organization like this.

Answer: Student responses will vary depending on individual preferences of organizational systems.

Learning Outcome 1-1: Tell who managers are and where they work.

AACSB: Analytical thinking

1-22 Write a paragraph explaining holocracy to someone not familiar with management.

Answer: Student responses will vary. Students should demonstrate an understanding of management, what managers do, and factors that are reshaping and redefining management.

Learning Outcome 1-2: Define *management*.

AACSB: Analytical thinking

Case Application 3: Destroying the World

Discussion Questions

1-23 In addition to the challenges of “fixing” the flaws, what other issues are Intel’s top managers going to have to address? (Hint: Think about who might be affected and how they might be affected....both inside and outside the company.)

Answer: Student responses will vary. Many students will focus on how Intel can regain the trust of its stakeholders—customers, employees, and investors. Students should recognize that customers include not only the tech companies that use Intel chips in their products, but also the customers who then purchase the finished products.

Learning Outcome 1-3: Describe what managers do.

AACSB: Analytical thinking

1-24 Look at the timeline of how these flaws were discovered. Do you think Intel should have done anything differently? Explain.

Answer: Student responses will vary depending on their perspective of the situation. Many will suggest that Intel took too long to respond and that the delay in making the

news of the flaws unnecessarily put customers at risk. Students again should recognize that customers include both tech companies and end product users. Many students will also question of who Intel informed and when and suggest that the company had an obligation to make the knowledge of the flaws available to the U.S. government prior to letting customers in China know of it.

Learning Outcome 1-3: Describe what managers do.

AACSB: Analytical thinking

- 1-25 Keeping professionals excited about work that is routine, standardized, and chaotic is a major challenge for managers at data security companies. How could they use technical, human, and conceptual skills to maintain an environment that encourages innovation and professionalism?

Answer: Student responses will vary. Students should demonstrate an understanding of the factors that are reshaping and redefining management today. Many students will suggest that communication and employee input are important to creating an environment that encourages innovation and professionalism.

Learning Outcome 1-3: Describe what managers do.

AACSB: Analytical thinking

- 1-26 In your “assigned” team, discuss Intel’s disclosure about the computer security flaws to Chinese companies before disclosure to U.S. government agencies and officials. What potential ethical issues do you see here? What advice would you have given to the top management team at Intel about their decisions and actions?

Answer: Student responses will vary depending on individual ethics. Many students though, will question Intel’s decision making in this situation suggesting that the company should have informed the government first. Other students though, will likely support Intel’s actions, arguing that Intel had an obligation to its customers.

Learning Outcome 1-3: Describe what managers do.

AACSB: Analytical thinking