Zappos CEO Tony Hsieh believes in happiness. His goal is “to set up an environment where the personalities, creativities, and individuality of all different employees come out and shine.”
Management Today

Everyone needs management skills

CHAPTER QUICK START

Management is part of our everyday lives. We manage ourselves, we manage relationships, we manage families, and we manage teams and co-workers. Now is a good time to study the fundamentals of management, learn more about your capabilities, and start building skills for career and life success.

 MANAGEMENT IS REAL

- analysis > MAKE DATA YOUR FRIEND
  Multiple Generations Meet and Greet in the Workplace

- choices > THINK BEFORE YOU ACT
  Want Vacation? No Problem, Take as Much as You Want

- ethics > KNOW RIGHT FROM WRONG
  Social Media Searches Linked with Discrimination in Hiring

- insight > LEARN ABOUT YOURSELF
  Self-Awareness and the Johari Window

- wisdom > LEARN FROM ROLE MODELS
  Ursula Burns Moves from Student Intern to Fortune 500 CEO

SKILLS MAKE YOU VALUABLE

- EVALUATE Career Situations:
  What Would You Do?

- REFLECT On the Self-Assessment:
  Career Readiness “Big 20”

- CONTRIBUTE To the Class Exercise:
  My Best Manager

- MANAGE A Critical Incident:
  Team Leader Faces Test

- COLLABORATE On the Team Activity:
  The Amazing Great Job Race

- ANALYZE The Case Study:
  Trader Joe’s: Keeping a Cool Edge

Key Takeaways

- Recognize the challenges of working in the new economy.

- Describe the nature of organizations as work settings.

- Discuss what it means to be a manager.

- Explain the functions, roles, and activities of managers.

- Identify essential managerial skills and discuss how they are learned.
Welcome to *Management 13/e* and its theme of personal development for career success. We live and work in a very complex world. Unemployment and job scarcities, ethical miscues by business and government leaders, financial turmoil and uncertainties, environmental challenges, and complex global economics and politics are regularly in the news. Today’s organizations are fast changing, as is the nature of work itself. Talent and technology reign supreme in the most desired jobs. Learning, performance, and flexibility are in as individual attributes; habit, complacency, and free-riding are out. Employers expect the best from us, and the best employers provide us with inspiring leadership and supportive work environments full of respect, involvement, teamwork, and rewards.¹

**Working Today**

**TAKEAWAY 1** What are the challenges of working in the new economy?

In her book *The Shift: The Future of Work Is Already Here*, scholar Lynda Gratton describes why things are changing so quickly today and how young people can navigate their careers through these changes. “Technology shrinks the world but consumes all of our time,” Gratton says; “globalization means we can work anywhere, but must compete with people from everywhere.”² What does the changing nature of work mean as you plan for career entry and advancement? You can’t expect a guarantee of long-term employment in today’s workplace. More and more jobs have to be continually earned and re-earned through everyday performance and accomplishments. And in times of continuous change, you have to accept that your career will be defined by “flexibility,” “free agency,” “skill portfolios,” and “entrepreneurship.” There is also no escaping the fact that your career success will require a lot of initiative, self-awareness, and continuous learning. The question is: Are you ready?

**Talent**

A study by management scholars Charles O'Reilly and Jeffrey Pfeffer found that high-performing companies are better than their competitors at getting extraordinary results from employees. “These companies have won the war for talent,” they argue, “not just by being great places to work—although they are that—but by figuring out how to get the best out of all of their people, every day.”³

People and their talents—what they know, what they learn, and what they achieve—are the crucial foundations for organizational performance. They represent what managers call *intellectual capital*, which is the combined brainpower and shared knowledge of an organization’s employees.⁴ Intellectual capital is a strategic asset that organizations can use to transform human creativity, insight, and decision making into performance. Intellectual capital also is a personal asset, one to be nurtured and continually updated. It is the package of intellect, skills, and capabilities that sets us apart, and that makes us valuable to potential employers.

Think about the personal implications of this *intellectual capital equation*: Intellectual Capital = Competency × Commitment.⁵ What does it suggest in terms of developing your talents for career success? *Competency* represents your personal talents or job-related capabilities. Although extremely important, by itself competency won’t guarantee success. You have to be committed. *Commitment* represents how hard you work to apply your talents and capabilities to important tasks. Both are essential. Having one without the other won’t allow you to achieve important career goals or to meet even basic performance requirements. It takes both competency and commitment to generate intellectual capital.
Working Today

Workplace talents in today’s age of information, technology, and change are dominated by knowledge workers whose minds—their creativity and insight—are critical assets. Futurist Daniel Pink says we will soon enter a conceptual age where the premium will be on “whole mind” competencies. Those who have them will be both “high concept”—creative and good with ideas—and “high touch”—joyful and good with relationships. Management scholar and consultant Gary Hamel talks about a creative economy “where even knowledge itself is becoming a commodity” and “the most important differentiator will be how fast you can create something new.” Mastering these intellectual challenges requires ongoing development of multiple skill sets that always keep your personal competencies aligned with—and at the forefront of—emerging job trends.

Technology

Technology continuously tests our talents and intrudes into every aspect of our lives. Think Skype, Twitter, Instagram, Facebook, and more. We are continuously bombarded with advertisements for the latest developments—from smartphones to smart apparel to smart cars to smart homes, and from tablets to mini-tablets to e-readers. We struggle to keep up with our social media involvements, stay connected with messaging, and deal with inboxes full of e-mail and voice mail. It is likely that, right now, you are reading this “book” on your favorite tablet or smartphone rather than in its traditional form. Given what has already happened with how we use technology, what will things look like tomorrow?

Multiple Generations Meet and Greet in the New World of Work

The best predictor of job loyalty for millennials is “a good culture fit.”

- 45% of millennials rate workplace flexibility higher than pay and 71% hope co-workers will become a “second family.”
- 68% of millennials get high scores for being enthusiastic about work, 45% for being team players, and 39% for being hardworking.
- 73% of boomer managers get high scores for being hardworking, 55% for being team players, 21% for flexibility, and 16% for inclusive leadership.
- 72% of college students say they want “a job where I can make an impact.”

WHAT ARE THE IMPLICATIONS?

How do these findings compare with your own career preferences or what you hear from people you know? How might this evidence influence your approach to seeking a job? What characteristics and practices define your ideal employer? What can employers do to attract and retain talented millennials while keeping older generations happy? Is what’s good for millennials necessarily good for everyone? How can managers effectively integrate people with varying needs and interests so employees from different generations work together with respect and pride?

- 60% of millennials change their first jobs after three years and employers spend $15,000 to $25,000 recruiting replacements.

72% of college students want “a job where I can make an impact.”

© Hero Images/Corbis
Tech IQ is the ability to use technology and to stay updated as technology continues to evolve.

It is critical to build and to maintain a high Tech IQ— the ability to use current technologies at work and in your personal life, combined with the commitment to keep yourself updated as technology continues to evolve. Whether you’re checking inventory, making a sale, ordering supplies, sourcing customers, prioritizing accounts, handling payrolls, recruiting new hires, or analyzing customer preferences, Tech IQ is indispensable. More and more people spend at least part of their workday “telecommuting” or “working from home” or in “mobile offices.” Workplaces are full of “virtual teams” with members who meet, access common databases, share information and files, make plans and decisions, solve problems together, and complete tasks without ever meeting face to face. Tech IQ is a baseline foundation for succeeding in this fast-changing world of technological innovation.

Even finding work and succeeding in the job selection process today involves skilled use of technology. Poor communication, sloppy approaches, and under-researched attempts do not work in the world of electronic job search. Filling in your online profile with the right key words does work. Many employers use sophisticated software to scan online profiles for indicators of real job skills and experiences that fit their needs. Most recruiters today also check social media for negative indicators about applicants.

Globalization

You can’t function National boundaries hardly count anymore in the world of business. Over 5 million Americans work in the United States for foreign employers. We buy cars like Toyota, Nissan, BMW, and Mercedes that are assembled in America. We buy appliances from the Chinese firm Haier and Eight O’Clock coffee from India’s Tata Group. Top managers at Starbucks, IBM, Sony, Ford, and other global companies have little need for the words “overseas” or “international” in their vocabulary. They operate as global businesses serving customers around the globe. They source materials and talent wherever in the world it can be found at the lowest cost.

These are among the many consequences of globalization, which is the worldwide interdependence of resource flows, product markets, and business competition. Under its influence, government leaders worry about the competitiveness of nations, just as corporate leaders worry about business competitiveness. Countries and people are interconnected through labor markets, employment patterns, and financial systems. We are hardly surprised anymore to find that our customer service call is answered in Ghana, CT scans are read by a radiologist in India, and business records maintained by accountants in the Philippines.

One controversial consequence of globalization is job migration, which is the shifting of jobs from one country to another. While the United States has been a net loser to job migration, countries like China, India, and the Philippines have been net gainers. Politicians and policymakers regularly debate the costs of job migration as local jobs are lost and communities lose economic vitality. One side looks for new government policies to stop job migration and protect U.S. jobs. The other side calls for patience, arguing that the national economy will grow jobs in the long run as the global economy readjusts.

The flip side of job migration is reshoring, which is the shift of manufacturing and jobs back home from overseas. As global manufacturing and transportation costs rise along with worries about intellectual property protection in countries like China, manufacturing firms including Caterpillar, Ford, and General Electric are doing more reshoring. When Intel announced an expansion of its semiconductor plant in Arizona, an industry analyst said: “The huge advantage of keeping manufacturing in the U.S. is you don’t have to worry about your intellectual property walking out the door every evening.”

Ethics

It’s old news now that Bernard Madoff was sentenced to 150 years in jail for a Ponzi scheme costing investors billions of dollars. But the message is still timely and crystal clear: Commit white-collar crime and you will be punished. Madoff’s crime did terrible harm to numerous individuals who lost their life savings, charitable foundations that lost millions in charitable
gifts, and employees who lost their jobs. Our society also paid a large price as investors’ faith in the business system was damaged by the scandal. Although very high profile, the Madoff scandal was by no means a unique or isolated case of bad behavior by a lone executive. Fresh scandals regularly make the news.

The issues here move beyond criminal behavior and into the broader notion of ethics—a code of moral principles that sets standards for conduct that is “good” and “right” versus “bad” and “wrong.” At the end of the day we depend on individuals, working at all organizational levels, to conduct themselves in ethical ways. And even though ethics failures get most of the publicity, you’ll find many examples of managers who demonstrate moral leadership and integrity. Believing that most CEOs are overpaid, the former CEO of Dial Corporation, Herb Baum, once gave his annual bonus to the firm’s lowest-paid workers. In his book *The Transparent Leader*, he argues that integrity is a key to leadership success and that the responsibility for setting an organization’s ethical tone begins at the top.

One indicator of ethics in organizations is the emphasis given to social responsibility and sustainability practices. Patagonia, for example, states its commitment to a responsible economy “that allows healthy communities, creates meaningful work, and takes from the earth only what it can replenish.” Another ethics indicator is the strength of corporate governance. Think of it as the active oversight of top management decisions, corporate strategy, and financial reporting by a company’s board of directors.

**Ethics** set moral standards of what is “good” and “right” in one’s behavior.

**Corporate governance** is the active oversight of management decisions and performance by a company’s board of directors.

---

**Social Media Searches Linked with Discrimination in Hiring**

It’s no secret that a growing number of employers (more than a third) browse the Web and follow social media to gather information and impressions about job candidates. It is also well known that inappropriate postings can hurt you. So much so that people are increasingly trying to edit the bad things out of their public profiles. New research reported from Carnegie Mellon University, however, also suggests that subtleties in social media postings can contribute to discrimination in the recruitment process. One of the researchers, Professor Alessandro Acquisti, said: “There is so much information we reveal about ourselves online, sometimes in ways we do not even realize.”

Researchers distributed 4,000 résumés to job posting sites and associated the résumés with Facebook profiles offering subtle cues—background photos and quotes, for example, on the candidates’ religion (Muslim or Christian) and sexuality (gay or straight). Results showed that Muslims (2%) were less likely to be called for follow-up interviews than Christians (17%). Sexuality cues made no significant difference in callback rates. It’s against U.S. employment law to use religion or sexuality as hiring criteria, but the researchers point out that discrimination based on social media investigations can be unconscious rather than intentional, with the employer showing the bias without realizing it. Professor Acquisti says: “By and large, employers avoid asking questions about these traits in interviews. But now technology makes it easier to find that information.” Other social media cues at risk of discriminatory behavior are photos of women showing pregnancies or children, and applicants with names often associated with ethnic, racial, or religious communities.

**WHAT DO YOU THINK?**

Facebook offers privacy settings to shield from public consumption information intended only for friends. But does this go far enough to protect individual privacy? Is it ethical for employers to use social media to “peek” at the personal lives of prospective candidates? Should there be laws preventing them from doing so? What about individual responsibility? Given so much publicity on social media use by recruiters, shouldn’t job seekers be informed and aware enough to screen out potentially harmful and discriminatory information? Are these job seekers at fault if negative consequences result when they don’t?
wisdom  >  LEARN FROM ROLE MODELS

> “I’m in this job because I believe I earned it through hard work and high performance.”

Ursula Burns Moves from Student Intern to Fortune 500 CEO

Frankness,” “sharp humor,” “willingness to take risks,” “deep industry knowledge,” “technical prowess.” These are all phrases used to describe Ursula Burns, CEO of Xerox Corporation. She started as a mechanical engineering intern and moved up to become the first African American woman to head a Fortune 500 firm. Her experience and leadership skills were well matched to the job’s many challenges.

In her prior role as president, Burns made tough decisions to downsize the firm, close manufacturing operations, and change the product mix. She also knew how to work well with the firm’s board. Director Robert A. McDonald of Procter & Gamble says: “She understands the technology and can communicate it in a way that a director can understand it.”

A working mother and spouse, Burns was raised in a low-income environment by a single mom in New York City public housing. She says her mom “did everything you could imagine” and was “amazing.” The advice she passed along included: “Don’t get confused when you are rich and famous.” Burns studied hard, earned a master’s degree in mechanical engineering from Columbia University, and from there started the internship with Xerox. The rest is corporate history.

Pride in her achievements comes across loud and clear when Burns talks about her work. “I’m in this job because I believe I earned it through hard work and high performance,” she says. “Did I get some opportunities early in my career because of my race and gender? Probably . . . I imagine race and gender got the hiring guys’ attention. And the rest was really up to me.”

FIND INSPIRATION

Ursula Burns’s trajectory from student intern to CEO of a Fortune 500 firm is impressive. What career lessons are here for others to follow? Which special skills and personal characteristics may have helped Burns grow into her corporate leadership role? She’s an African American woman who grew up poor. How can her success in the male-dominated corporate environment serve as a role model for others?

Diversity

The term workforce diversity describes the composition of a workforce in terms of gender, age, race, ethnicity, religion, sexual orientation, and able-bodiedness. The changing demographics in society are well recognized. Members of minority groups now constitute more than one-third of the U.S. population, and women may soon outnumber men in the U.S. workforce. By the year 2050, African Americans, Native Americans, Asians, and Hispanics will be the new majority, and by 2050 the U.S. Census Bureau also expects that more than 20% of the population will be at least 65 years old.

Despite these changes, the way we deal with diversity in the workplace remains complicated. Women now lead global companies like IBM, PepsiCo, Xerox, and Kraft, but they hold only just 4% of all top jobs in American firms and 5% in large firms worldwide. The proportion of women at the top is growing, but female CEOs are also getting fired at a higher rate than their male counterparts. People of color hold just 11% of executive jobs in the Fortune 500, and among the CEOs there are six African-Americans, eight Asians, and eight Hispanics.

Why aren’t there more women and people of color leading organizations? To what extent does diversity bias still influence recruitment and selection decisions? Researchers have found that résumés with white-sounding first names, such as Brett, receive 50% more responses from employers than equivalent résumés with black-sounding first names, such as Kareem. Researchers also note that white leaders are viewed as more successful than
minority leaders, and that white leaders are expected to succeed because of competence while non-white leaders are expected to succeed despite incompetence.25

The stage for diversity bias is set by prejudice—which is the display of negative, irrational opinions and attitudes regarding members of diverse populations. An example of bias is lingering prejudice against working mothers. The nonprofit Families and Work Institute reported that in 1977 49% of men and 71% of women believed that mothers can be good employees; by 2008 the figures had risen to 67% and 80%.26 Don’t you wonder why there isn’t 100% support for working mothers? And, how do you account for a study that sent faux résumés to recruiters and found that the least desirable candidates were women with children?27

Prejudice becomes active discrimination when minority members are unfairly treated and denied the full benefits of organizational membership. One example of discrimination is a manager inventing reasons not to interview a minority job candidate. Another example is a supervisor who refuses to promote a working mother for fear that parenting responsibilities will make it hard for her to do a good job. This thinking shows a subtle form of discrimination called the glass ceiling effect, an invisible barrier or ceiling that prevents women and minorities from rising to top jobs.

Scholar Judith Rosener warns that discrimination of any sort leads to “undervalued and underutilized human capital.”28 To avoid this problem the position of chief diversity officer, or CDO, is gaining stature in organizations. Its presence recognizes that diversity is not only a moral issue but an opportunity for real performance gains. The job of CDO is to make sure the work environment allows women and minorities to flourish, and fully utilizes their talents.29

Careers and Connections

When the economy is down and employment markets are tight, the task of finding a career entry point can be daunting. It always pays to remember the importance of online résumés and job searches, and the power of social networking with established professionals. In addition, job seekers should consider internships as pathways to first-job placements. But everything still depends on the mix of skills you can offer a potential employer and how well you communicate those skills. Picture yourself in a job interview. The recruiter asks this question: “What can you do for us?” How do you reply? Your answer can set the stage for your career success . . . or something less.

British scholar and consultant Charles Handy uses the analogy of the shamrock organization to highlight the challenges of developing skill portfolios that fit the new workplace.30 The first leaf in the shamrock is a core group of permanent, full-time employees who follow standard career paths. The number of people in this first leaf is shrinking.31 They are being replaced by a second leaf of “freelancers” and “independent contractors” who offer specialized skills and talents on a contract basis, then change employers when projects are completed.32 Full-time employees are also being replaced by a third leaf of temporary part-timers. They often work without benefits and are the first to lose their jobs when an employer runs into economic difficulties.

The fact is that you will have to succeed in a free-agent economy, one where people change jobs more often and work on flexible contracts with a shifting mix of employers over time. Skills like those in the nearby box must be kept up-to-date and portable.33 They can’t be gained once and then forgotten. They must be carefully maintained and upgraded all the time. All this places a premium on your capacity for self-management—being able to assess yourself realistically, recognize strengths and weaknesses, make constructive changes, and manage your personal development.

Prejudice is the display of negative, irrational attitudes toward members of diverse populations.

Discrimination actively denies minority members the full benefits of organizational membership.

The glass ceiling effect is an invisible barrier limiting career advancement of women and minorities.

A shamrock organization operates with a core group of full-time long-term workers supported by others who work on contracts and part-time.

In a free-agent economy people change jobs more often, and many work on independent contracts with a shifting mix of employers.

Self-management is the ability to understand oneself, exercise initiative, accept responsibility, and learn from experience.

Early Career Survival Skills

Mastery: You need to be good at something; you need to be able to contribute real value to your employer.

Networking: You need to know people and get connected; networking with others within and outside the organization is essential.

Entrepreneurship: You must act as if you are running your own business, spotting ideas and opportunities and pursuing them.

Technology: You have to embrace technology; you have to stay up-to-date and fully utilize all that is available.

Marketing: You need to communicate your successes and progress—both yours personally and those of your work team.

Renewal: You need to learn and change continuously, always improving yourself for the future.
Connections count highly in the free-agent economy. They open doors to opportunities and resources that otherwise wouldn’t be available. People with connections gain access to valuable information about potential jobs and often score more interviews and better jobs than those without connections. While in the past the best connections may have been limited to people who had gone to the “right” kinds of schools or came from the “right” kinds of families, this is no longer the case. Social networking tools—such as LinkedIn, Facebook, Google+, and Reddit—that connect users with similar interests have become the great equalizer. They make the process of connecting much easier and more democratic than ever before. Importantly, they are readily available ways for you to make connections that can help with job searches and career advancement.

Learning Check 1

TAKEAWAY QUESTION 1 What are the challenges of working in the new economy?

BE SURE YOU CAN • describe how intellectual capital, ethics, diversity, globalization, technology, and the changing nature of careers influence working in the new economy • define intellectual capital, workforce diversity, and globalization • explain how prejudice, discrimination, and the glass ceiling can hurt people at work

Organizations

TAKEAWAY 2 What are organizations like as work settings?

LEARN MORE ABOUT Organizational purpose • Organizations as systems Organizational performance • Changing nature of organizations

As pointed out earlier, what happens from this point forward in your career is largely up to you. So, let’s start with organizations. In order to make good employment choices and perform well in a career, you need to understand the nature of organizations and recognize how they work as complex systems.

Organizational Purpose

An organization is a collection of people working together to achieve a common purpose.

An open system transforms resource inputs from the environment into product outputs.

Organizations as Systems

All organizations are open systems that interact with their environments. They do so in a continual process of obtaining resource inputs—people, information, resources, and capital—and transforming them into outputs in the form of finished goods and services for customers.
As shown in Figure 1.1, feedback from the environment indicates how well an organization is doing. When Starbucks started a customer blog, for example, requests for speedier service popped up. The company quickly made changes that eliminated required signatures on credit card charges less than $25. Salesforce.com is another company that thrives on feedback. It set up a website called Idea Exchange to get customer suggestions, even asking them at one point to vote on a possible name change—the response was “No!”

Gathering and listening to customer feedback is important; without loyal customers, a business can’t survive. When you hear or read about bankruptcies, they are stark testimonies to this fact of the marketplace.

Organizational Performance

Organizations create value when they use resources well to produce good products and take care of their customers. When operations add value to the original cost of resource inputs, then a business organization can earn a profit—selling a product for more than the costs of making it, and a nonprofit organization can add wealth to society—providing a public service like fire protection that is worth more than its cost.

One of the most common ways to assess performance by and within organizations is productivity. It measures the quantity and quality of outputs relative to the cost of inputs. And as Figure 1.2 shows, productivity involves both performance effectiveness and performance efficiency.

Performance effectiveness is an output measure of task or goal accomplishment. If you are working as a software engineer for a computer game developer, performance effectiveness may mean that you meet a daily production target in terms of the quantity and quality of lines of code written. This productivity helps the company meet customer demands for timely delivery of high-quality gaming products.

**FIGURE 1.1** Organizations as open systems interacting with their environments.

- **Resource inputs**
  - People
  - Money
  - Materials
  - Technology
  - Information

- **Work activities turn resources into outputs**

- **Product outputs**
  - Finished goods and services

- **Transformation process**

**FIGURE 1.2** Productivity and the dimensions of organizational performance.

- **Effective but not efficient**
  - Goals achieved
  - Resources wasted

- **Effective and efficient**
  - Goals achieved
  - No wasted resources
  - High productivity

- **Neither effective nor efficient**
  - Goals not achieved
  - Resources wasted

- **Not effective but efficient**
  - Goals not achieved
  - No wasted resources

- **Goal Attainment**
  - High
  - Low

- **Resource Utilization**
  - Poor
  - Good

Productivity is the quantity and quality of work performance, with resource utilization considered.

Performance effectiveness is an output measure of task or goal accomplishment.
Performance efficiency is an input measure of the resource costs associated with goal accomplishment. Returning to the gaming example, the most efficient software production is accomplished at a minimum cost in materials and labor. If you are producing fewer lines of code in a day than you are capable of, this amounts to inefficiency; if you make lots of mistakes that require extensive rewrites, this is also inefficient work. All such inefficiencies drive up costs and reduce productivity.

Changing Nature of Organizations

Change is a continuing theme in our society, and organizations are no exception. The following list shows some organizational trends and transitions relevant to the study of management.38

- **Focus on valuing human capital:** The premium is on high-involvement work settings that rally the knowledge, experience, and commitment of all members.
- **Demise of “command-and-control”:** Traditional top-down “do as I say” bosses are giving way to participatory bosses who treat people with respect.
- **Emphasis on teamwork:** Organizations are becoming less hierarchical and more driven by teamwork that pools talents for creative problem solving.
- **Preeminence of technology:** Developments in computer and information technology keep changing the way organizations operate and how people work.
- **Importance of networking:** Organizations and their members are networked for intense, real-time communication and coordination.
- **New workforce expectations:** A new generation of workers is less tolerant of hierarchy, attentive to performance merit, more informal, and concerned for work–life balance.
- **Concern for sustainability:** Social values call for more attention on the preservation of natural resources for future generations and understanding how work affects human well-being.

Learning Check 2

**TAKEAWAY QUESTION 2** What are organizations like as work settings?

**BE SURE YOU CAN** • describe how organizations operate as open systems • explain productivity as a measure of organizational performance • distinguish between performance effectiveness and performance efficiency • list several ways in which organizations are changing today

Managers

**TAKEAWAY 3** What does it mean to be a manager?

In an article titled “Putting People First for Organizational Success,” Jeffrey Pfeffer and John F. Veiga argue forcefully that organizations perform better when they treat their members better.39 Managers in these high-performing organizations don’t treat people as costs to be controlled; they treat them as valuable strategic assets to be carefully nurtured and developed. So, who are today’s managers and just what do they do?

What Is a Manager?

You find them in all organizations and with a wide variety of job titles—team leader, department head, supervisor, project manager, president, administrator, and more. We call them
managers, people in organizations who directly support, supervise, and help activate the work efforts and performance accomplishments of others. Whether they are called direct reports, team members, work associates, or subordinates, these “other people” are the essential human resources whose contributions represent the real work of the organization. And as pointed out by management scholar Henry Mintzberg, being a manager remains an important and socially responsible job. “No job is more vital to our society than that of the manager,” he says. “It is the manager who determines whether our social institutions serve us well or whether they squander our talents and resources.”

Levels of Managers

At the highest levels of business organizations, as shown in Figure 1.3, we find a board of directors whose members are elected by stockholders to represent their ownership interests. In nonprofit organizations such as a hospital or university, this level is often called a board of trustees, and it may be elected by local citizens, appointed by government bodies, or invited by existing members. The basic responsibilities of board members are the same in both business and the public sector—to make sure that the organization is always being well run and managed in a lawful and ethical manner.41

Common job titles just below the board level are chief executive officer (CEO), chief operating officer (COO), chief financial officer (CFO), chief information officer (CIO), chief diversity officer (CDO), president, and vice president. These top managers constitute an executive team that reports to the board and is responsible for the performance of an organization as a whole or for one of its larger parts. It is common to find the members of an organization’s top management team referred to as part of the C-suite.

Top managers are supposed to set strategy and lead the organization consistent with its purpose and mission. They should pay special attention to the external environment and be alert to potential long-run problems and opportunities. The best top managers are strategic thinkers able to make good decisions under highly competitive and even uncertain conditions. A CEO at Procter & Gamble once said the job of top managers is to “link the external world with the internal organization . . . make sure the voice of the consumer is heard . . . shape values and standards.”

Reporting to top managers are the middle managers, who are in charge of relatively large departments or divisions consisting of several smaller work units. Examples include clinic directors in hospitals; deans in universities; and division managers, plant managers, and regional sales managers in businesses. Job descriptions for middle managers may include working with top managers, coordinating with peers, and supporting lower-level team members to develop and pursue action plans that implement organizational strategies to accomplish key objectives.

Members of a board of directors or board of trustees are supposed to make sure an organization is well run and managed in a lawful and ethical manner.

Top managers guide the performance of the organization as a whole or of one of its major parts.

Middle managers oversee the work of large departments or divisions.

FIGURE 1.3  Management levels in typical business and nonprofit organizations.
A first job in management typically involves serving as a **team leader** or supervisor—someone in charge of a small work group composed of non-managerial workers. Typical job titles for these first-line managers include department head, team leader, and supervisor. The leader of an auditing team, for example, is considered a first-line manager, as is the head of an academic department in a university. Even though most people enter the workforce as technical specialists such as engineer, market researcher, or systems analyst, at some point they probably advance to positions of initial managerial responsibility.

### Types of Managers

Many types of managers comprise an organization. **Line managers** are responsible for work that makes a direct contribution to the organization’s outputs. For example, the president, retail manager, and department supervisors of a local department store all have line responsibilities. Their jobs in one way or another are directly related to the sales operations of the store. **Staff managers**, by contrast, use special technical expertise to advise and support the efforts of line workers. In a department store chain like Nordstrom or Macy’s, the corporate director of human resources and chief financial officer would have staff responsibilities.

**Functional managers** have responsibility for a single area of activity such as finance, marketing, production, human resources, accounting, or sales. **General managers** are responsible for activities covering many functional areas. An example is a plant manager who oversees everything from purchasing to manufacturing to human resources to finance and accounting functions. In public or nonprofit organizations, managers may be called **administrators**. Examples include hospital administrators, public administrators, and city administrators.

### Managerial Performance

All managers help people, working individually and in teams, to perform. They do this while being personally accountable for results achieved. **Accountability** is the requirement of one person to answer to a higher authority for performance results in his or her area of work responsibility. This accountability flows upward in the traditional organizational pyramid. The team leader is accountable to a middle manager, the middle manager is accountable to a top manager, and even the top manager is accountable through corporate governance to a board of directors or board of trustees.

But what, you might ask, constitutes excellence in managerial performance? When is a manager “effective”? A good answer is that **effective managers** successfully help others achieve both high performance and satisfaction in their work. This dual concern for performance and satisfaction introduces **quality of work life (QWL)** as an indicator of the overall quality of human experiences at work. A “high-QWL” workplace offers such things as respect, fair pay, safe conditions, opportunities to learn and use new skills, room to grow and progress in a career, and protection of individual rights and wellness.

Scholar Jeffrey Pfeffer considers QWL a high-priority issue of human sustainability. Why, he asks, don’t we give more attention to human sustainability and “organizational effects on employee health and mortality”? What do you think? Should managers be held accountable not just for performance accomplishments of their teams and work units, but also for the human sustainability of those who work with and for them? In other words, shouldn’t productivity and quality of working life go hand in hand?

### Changing Nature of Managerial Work

Cindy Zollinger, president and CEO of Cornerstone Research, directly supervises more than 20 people. But, she says: “I don’t really manage them in a
typical way; they largely run themselves. I help them in dealing with obstacles they face, or in making the most of opportunities they find. These comments describe a workplace where the best managers are known more for “helping” and “supporting” than for “directing” and “order giving.” The words coordinator, coach, and team leader are heard as often as supervisor or boss.

The concept of the upside-down pyramid shown in Figure 1.4 fits well with the changing mind-set of managerial work today. Notice that the operating and frontline workers are at the top of the upside-down pyramid, just below the customers and clients they serve. They are supported in their work efforts by managers below them. These managers

The upside-down pyramid view of organizations shows customers at the top being served by workers who are supported by managers.

**FIGURE 1.4** The organization viewed as an upside-down pyramid.
aren’t just order-givers; they are there to mobilize and deliver the support others need to do their jobs best and serve customer needs. Sitting at the bottom are top managers and C-suite executives; their jobs are to support everyone and everything above them. The upside-down pyramid view leaves no doubt that the entire organization is devoted to serving customers and that the job of managers is to support the workers who make this possible.

Learning Check 3

TAKEAWAY QUESTION 3 What does it mean to be a manager?
BE SURE YOU CAN • describe the various types and levels of managers • define accountability and quality of work life, and explain their importance to managerial performance • discuss how managerial work is changing today • explain the role of managers in the upside-down pyramid view of organizations

The Management Process

TAKEAWAY 4 What are the functions, roles, and activities of managers?

The management process is planning, organizing, leading, and controlling the use of resources to accomplish performance goals.

Functions of Management

All managers, regardless of title, level, type, and organizational setting, are responsible for the four management functions shown in Figure 1.5. These functions are continually engaged as a manager moves from task to task and opportunity to opportunity in his or her work.

FIGURE 1.5 Four functions of management—planning, organizing, leading, and controlling.
Planning

Planning is the process of setting performance objectives and determining what actions should be taken to accomplish them. Through planning, a manager identifies desired results—goals and objectives, and ways to achieve them—action plans.

There was a time, for example, when top management at EY (previously Ernst & Young) became concerned about the firm’s retention of female professionals. Then-chairman Philip A. Laskawy launched a Diversity Task Force with the planning objective to reduce turnover rates for women. When the task force began its work, this turnover was running some 22% per year, and it cost the firm about 150% of a departing employee’s annual salary to hire and train each replacement. Laskawy considered this performance unacceptable and put plans in place to improve it.

Organizing

Once plans are set, they must be implemented. This begins with organizing, the process of assigning tasks, allocating resources, and coordinating the activities of individuals and groups to accomplish plans. Organizing is how managers put plans into action by defining jobs and tasks, assigning them to responsible persons, and then providing support such as technology, time, and other resources.

choices > THINK BEFORE YOU ACT

> “We want responsible people who are self-motivating and self-disciplined, and we reward them with freedom.”

Want Vacation? No Problem, Take as Much as You Want

How about a job with "unlimited" vacation? Sounds unreal, doesn’t it? But don’t be too fast to dismiss the idea. Some fashion-forward employers are already doing it. Netflix is one. The firm prizes what CEO Reed Hastings calls its "freedom and responsibility culture." One of the things that brings this culture to life is how vacation time is handled. Hastings says this about the Netflix culture and vacation policy: "We want responsible people who are self-motivating and self-disciplined, and we reward them with freedom. The best example is our vacation policy. It’s simple and understandable: We don’t have one. We focus on what people get done, not on how many days they worked."

Netflix used to follow what Hastings calls a "standard vacation model," but finally realized it was just "an industrial era habit." He wonders why employers should track vacation days when people don’t keep track of the number of hours they work? And he sets the example. "I make sure to take lots of vacation . . ." says Hastings, "and I do some of my creative thinking on vacation."

The Society for Human Resource Management reports that only about 1% of employers offer unlimited vacation time. Many of them are smaller organizations. Red Frog Events is an entertainment organizer with 80 full-time employees who get to take vacation when they want. The firm’s HR director hasn’t found any major abuses. Dov Seidman, CEO of the 300-employee firm LRN, also offers unlimited vacation time. He says: "People are a lot more honest and responsible when they are trusted."

YOUR TAKE?

So, is this approach to vacation time something that more employers should be planning? Is it the next hot thing sought by new college graduates? What are the risks and limits for employers, if any? How about the “motivation” issues? Would this be a turn-on for you, something that would keep you productive and loyal? If unlimited vacation time is such a good idea, why aren’t more employers doing it?
At EY, Laskawy organized and chaired a Diversity Task Force to meet his planning objective. He also established a new Office of Retention and hired Deborah K. Holmes, now serving as global director of corporate responsibility, to head it. Holmes’s office was responsible for identifying retention problems in various parts of the firm, creating special task forces to tackle them, and recommend location-specific solutions to the Diversity Task Force.

**Leading**

*Leading* is the process of arousing people’s enthusiasm and inspiring their efforts to work hard to fulfill plans and accomplish objectives. Managers lead by building commitments to a common vision, encouraging activities that support goals, and influencing others to do their best work on the organization’s behalf.

Deborah K. Holmes actively pursued her leadership responsibilities at EY. She noticed that, in addition to stress caused by intense work at the firm, women often faced more stress because their spouses also worked. She became a champion for improved work–life balance and pursued it vigorously. She started “call-free holidays” where professionals did not check voice mail or e-mail on weekends and holidays. She started a “travel sanity” program that limited staffers’ travel to four days a week so they could be home for weekends. And, she started a Woman’s Access Program to provide mentoring and career development.

**Controlling**

The management function of *controlling* is the process of measuring work performance, comparing results to objectives, and taking corrective action as needed. Managers exercise control by staying in active contact with people as they work, gathering and interpreting performance measurements, and using this information to make constructive changes. Control is indispensable in the management process. Things don’t always go as anticipated, and plans must often be modified and redefined to fit new circumstances.

At EY, Laskawy and Holmes documented what the firm’s retention rates for women were when they started the new programs. This gave them a clear baseline against which they were able to track progress. They regularly measured retention rates for women and compared them to the baseline. They were able to identify successes and pinpoint where they needed to further improve their work–life balance programs. Over time, collected data showed that turnover rates for women were reduced at all levels.

**Managerial Roles and Activities**

The management process and its responsibilities for planning, organizing, leading, and controlling are more complicated than they appear at first glance. They must be successfully accomplished during a workday that can be very challenging. In a classic book, *The Nature of Managerial Work*, Henry Mintzberg describes the daily work of corporate chief executives as follows: “There was no break in the pace of activity during office hours. The mail . . . telephone calls . . . and meetings . . . accounted for almost every minute from the moment these executives entered their offices in the morning until they departed in the evenings.”

Today, we might add to Mintzberg’s list of executive preoccupations relentless “work anytime and anywhere” demands of smartphones, ever-full e-mail and voice mail in-boxes, chat and instant message streams, and social media alerts.

**Managerial Roles**

In trying to better understand the complex nature of managerial work, Mintzberg identified a set of roles commonly filled by managers. Shown in the nearby figure, they describe how managers must be prepared to succeed in a variety of interpersonal, informational, and decisional responsibilities.
A manager’s interpersonal roles involve interactions with people inside and outside the work unit. A manager fulfilling these roles will be a figurehead, modeling and setting forth key principles and policies; a leader, providing direction and instilling enthusiasm; and a liaison, coordinating with others. A manager’s informational roles involve the giving, receiving, and analyzing of information. A manager fulfilling these roles will be a monitor, scanning for information; a disseminator, sharing information; and a spokesperson, acting as official communicator. The decisional roles involve using information to make decisions to solve problems or address opportunities. A manager fulfilling these roles will be a disturbance handler, dealing with problems and conflicts; a resource allocator, handling budgets and distributing resources; a negotiator, making deals and forging agreements; and an entrepreneur, developing new initiatives.

Managerial Activities

Managers must not only master key roles, they must implement them in intense and complex work settings. Their work is busy, demanding, and stressful at all levels of responsibility. The managers Mintzberg studied had little free time to themselves. In fact, unexpected problems and continuing requests for meetings consumed almost all available time. The small box shows their workdays were hectic; the pressure for continuously improving performance was all-encompassing. Mintzberg summarized his observations this way: “The manager can never be free to forget the job, and never has the pleasure of knowing, even temporarily, that there is nothing else to do. . . . Managers always carry the nagging suspicion that they might be able to contribute just a little bit more. Hence they assume an unrelenting pace in their work.”

Managerial Agendas and Networks

Scene: On the way to a meeting, a general manager bumped into a colleague from another department. In a two-minute conversation she used this opportunity to (a) ask two questions and receive the information she had been needing; (b) reinforce their good relationship by sincerely complimenting the colleague on something he had recently done; and (c) get a commitment for the colleague to do something else that the general manager needed done. Analysis: This brief incident provides a glimpse of an effective general manager in action. It also portrays two activities that consultant and scholar John Kotter considers critical to a manager’s success—agenda setting and networking.

Through agenda setting, good managers develop action priorities that include goals and plans spanning long and short time frames. These agendas are usually incomplete and loosely connected in the beginning, but they become more specific as the manager utilizes information continually gleaned from many different sources. The agendas are always present in the manager’s mind and are played out or pushed ahead whenever an opportunity arises, as in the preceding example.

Good managers implement their agendas by networking, the process of building and maintaining positive relationships with people whose help may be needed to implement Agenda setting develops action priorities for accomplishing goals and plans.

Networking is the process of creating positive relationships with people who can help advance agendas.
Social capital is a capacity to get things done with the support and help of others. One's agendas. Such networking creates social capital—a capacity to attract support and help from others in order to get things done. In the earlier example, the general manager received help from a colleague who did not report directly to her. The manager's networks and social capital would also include relationships she cultivates with other peers, higher-level executives, subordinates and members of their work teams, as well as with external customers, suppliers, and community representatives.

Learning Check 4

TAKEAWAY QUESTION 4 What are the functions, roles, and activities of managers?

BE SURE YOU CAN • define and give examples of each of the management functions—planning, organizing, leading, and controlling • explain Mintzberg’s view of what managers do, including the 10 key managerial roles • explain Kotter’s points on how managers use agendas and networks to fulfill their work responsibilities

Learning How to Manage

TAKEAWAY 5 What are the essential managerial skills and how do we learn them?

LEARN MORE ABOUT • Learning and lifelong learning • Technical skills • Human and interpersonal skills • Conceptual and critical-thinking skills

A survey of corporate CEOs of major employers like Accenture, Unilever, and Liberty Mutual Insurance revealed dissatisfaction with what they are seeing in business school students. Top criticisms were a lack of self-awareness, poor teamwork and critical thinking skills, and an absence of creativity. There's no doubt that career success in today's turbulent times depends greatly on learning—changing behavior through experience. But, learning begins with self-awareness—a real, unbiased, understanding of your strengths and weaknesses. And when it comes to self-awareness—a key step in continuous learning in a management context, the learning focus is on skills and competencies that help you to confidently deal with the complexities of human behavior and problem solving in organizations.

As you read the various chapters and special features in this book and participate in course discussions and activities, be sure to self-assess in regard to your career readiness and the learning that might advance that success immediately and in the longer term. And don’t forget, it’s not just formal learning in the classroom that counts. The events of everyday life—from full-time and part-time jobs to teamwork in school, sports, and leisure activities to customer interactions—are rich in learning opportunities . . . if you take advantage of them. There’s a lot to be gained from making a sincere commitment to lifelong learning—the process of continuous learning from all of our daily experiences and opportunities.

Management & Popular Culture

Self-Management Lessons in Slumdog Millionaire

What’s your take on this story of an orphan growing up in Mumbai, India, and finding his way to riches on a TV game show? Watch it again for lessons in self-management. When the police chief roughs up the main character Jamal (Dev Patel) the night before the big show, he asks: “What the hell can a slum boy possibly know?” Jamal looks him in the eye and says: “The answers.” He held up under the police chief’s torture. He also resisted the quizmaster’s repeated attempts to deceive and pressure him into not believing his own correct answers.
A skill is the ability to translate knowledge into action that results in desired performance. Harvard scholar Robert L. Katz described the essential, or baseline, skills of managers in three categories: technical, human, and conceptual. He suggests that all three sets of skills are necessary for management success, and that their relative importance varies by level of managerial responsibility as shown in Figure 1.6.

### Technical Skills

A **technical skill** is the ability to use expertise to perform a special task with proficiency. Accountants, engineers, market researchers, financial planners, and systems analysts, for example, possess technical skills within their areas of expertise. Knowing how to write a business plan with a cash flow projection, use statistics to analyze data from a market survey, update software on a computer network, and deliver a persuasive oral presentation are also technical skills. Although initially acquired through formal education, technical skills can become quickly outdated in today’s world. It is important to nurture and develop them through ongoing learning that takes full advantage of training and job experiences.

Figure 1.6 shows that technical skills are very important at job entry and early career levels. As you look at this figure, take a quick inventory of your technical skills. They are things you must be able to tell a prospective employer when interviewing for a new job. Get prepared by asking this all-important self-assessment question: “What, exactly, can I do for a prospective employer?”

### Human and Interpersonal Skills

Recruiters today put a lot of emphasis on a job candidate’s “soft” skills—things like ability to communicate, collaborate, and network, to lead and contribute to teams, and to engage others with a spirit of trust, enthusiasm, and positive impact. These are all part of what Katz called the ability to work well in cooperation with other persons, or **human skill**. As pointed out in Figure 1.6, the interpersonal nature of managerial work makes human skills consistently important across all levels of managerial responsibility.

A manager with good human skills will have a high degree of **emotional intelligence**, defined by scholar and consultant Daniel Goleman as the “ability to manage ourselves and our relationships effectively.” Strength or weakness in emotional intelligence shows up as the ability to recognize, understand, and manage feelings while interacting and dealing with others. Someone high in emotional intelligence will know when her or his emotions are about to become disruptive, and act to control them. This same person will sense when another person’s emotions are negatively influencing a relationship, and act to understand and better deal with them. Check your interpersonal skills and emotional intelligence by asking and answering this self-assessment question: “Just how well do I relate with and work with others in team and interpersonal situations?”
LEARN ABOUT YOURSELF

Self-Awareness and the Johari Window

Although it’s an important career skill, self-awareness can be easy to talk about but hard to master. Self-awareness helps us build on strengths and overcome weaknesses, and it helps us avoid seeing ourselves more favorably than is justified.

How often do you take a critical look at your attitudes, behaviors, skills, personal characteristics, and accomplishments? When was the last time you thought about them from a career perspective—as you see them and as others do?

Exploring your Johari Window is one way to gain more self-awareness. It’s a way of comparing what we know about ourselves with what others know about us. The “open” areas known to ourselves and others are often small. The “blind spot,” “the unknown,” and the “hidden” areas can be quite large. They challenge our capacities for self-discovery.

Self-awareness is a pathway to adaptability, something we need to keep learning and growing in changing times. But remember the insights of the Johari Window. True self-awareness means not just knowing your idealized self—the person you want or hope to be. It also means knowing who you really are in the eyes of others and as defined by your actions.

GET TO KNOW YOURSELF BETTER

Map your Johari Window. Make notes on your “Open Area” and “Hidden Self.” Speculate about your “Unknown.” Ask friends, family, and co-workers for insights to your “Blind Spot.” Write a summary of what you learn about possible career strengths and weaknesses.

Conceptual and Critical-Thinking Skills

The ability to think analytically is a conceptual skill. It involves the capacity to break problems into smaller parts, see the relations between the parts, and recognize the implications of any one problem for others. We call this a critical-thinking skill, and it is a top priority when recruiters screen candidates for sought-after jobs. Annmarie Neal, Vice President, Cisco Center for Collaborative Leadership within Human Resources, describes it as an ability to “approach problems as a learner as opposed to a knower” and “taking issues and situations and problems and going to root components . . . looking at it [a problem] from a systematic perspective and not accepting things at face value . . . being curious about why things are the way they are and being able to think about why something is important.”

Figure 1.6 shows that conceptual skills gain in importance as one moves up from lower to higher levels of management. This is because the problems faced at higher levels of responsibility are often ambiguous and unstructured, full of complications and interconnections, and pose longer-term consequences. The end-of-chapter features—Manage a Critical Incident and Analyze the Case Study—are ways to further develop your conceptual skills in management. And, the relevant self-assessment question to ask and honestly answer is: “Am I developing the strong critical-thinking and problem-solving capabilities I will need for long-term career success?”

Learning Check 5

TAKEAWAY QUESTION 5 What are the essential managerial skills and how do we learn them?

BE SURE YOU CAN • discuss the career importance of learning and lifelong learning • define three essential managerial skills—technical, human, and conceptual skills • explain how these skills vary in importance across management levels • define emotional intelligence as an important human skill
Summary

TAKEAWAYQUESTION 1
What are the challenges of working in the new economy?
- Work in the new economy is increasingly knowledge based, and intellectual capital is the foundation of organizational performance.
- Organizations must value the talents of a workforce whose members are increasingly diverse with respect to gender, age, race and ethnicity, able-bodiedness, and lifestyles.
- The forces of globalization are bringing increased interdependencies among nations and economies, as customer markets and resource flows create intense business competition.
- Ever-present developments in information technology are reshaping organizations, changing the nature of work, and increasing the value of knowledge workers.
- Society has high expectations for organizations and their members to perform with commitment to high ethical standards and in socially responsible ways.
- Careers in the new economy require great personal initiative to build and maintain skill “portfolios” that are always up-to-date and valuable in a free agent economy.

FOR DISCUSSION What career risks and opportunities is globalization creating for today’s college graduates?

TAKEAWAYQUESTION 2
What are organizations like as work settings?
- Organizations are collections of people working together to achieve a common purpose.
- As open systems, organizations interact with their environments in the process of transforming resource inputs into product and service outputs.
- Productivity is a measure of the quantity and quality of work performance, with resource costs taken into account.
- High-performing organizations achieve both performance effectiveness in terms of goal accomplishment, and performance efficiency in terms of resource utilization.

FOR DISCUSSION When is it acceptable to sacrifice performance efficiency for performance effectiveness?

TAKEAWAYQUESTION 3
What does it mean to be a manager?
- Managers directly support and facilitate the work efforts of other people in organizations.
- Top managers scan the environment, create strategies, and emphasize long-term goals; middle managers coordinate activities in large departments or divisions; team leaders and supervisors support performance of frontline workers at the team or work-unit level.
- Functional managers work in specific areas such as finance or marketing; general managers are responsible for larger multifunctional units; administrators are managers in public or nonprofit organizations.
- The upside-down pyramid view of organizations shows operating workers at the top, serving customer needs while being supported from below by various levels of management.
- The changing nature of managerial work emphasizes being good at “coaching” and “supporting” others, rather than simply “directing” and “order-giving.”

FOR DISCUSSION In what ways should the work of a top manager to differ from that of a team leader?

TAKEAWAYQUESTION 4
What are the functions, roles, and activities of managers?
- The management process consists of the four functions of planning, organizing, leading, and controlling.
- Planning sets the direction; organizing assembles the human and material resources; leading provides the enthusiasm and direction; controlling ensures results.
- Managers implement the four functions in daily work that is often intense and stressful, involving long hours and continuous performance pressures.
- Managerial success requires the ability to perform well in interpersonal, informational, and decision-making roles.
- Managerial success also requires the ability to build interpersonal networks and use them to accomplish well-selected task agendas.

FOR DISCUSSION How might the upside-down pyramid view of organizations affect a manager’s approach to planning, organizing, leading, and controlling?

TAKEAWAYQUESTION 5
What are the essential managerial skills and how do we learn them?
- Careers in the new economy demand continual attention to lifelong learning from all aspects of daily experience and job opportunities.
- Skills considered essential for managers are broadly described as technical—ability to use expertise; human—ability to work well with other people, including emotional intelligence; and conceptual—ability to analyze and solve complex problems with critical thinking.
- Human skills are equally important for all management levels, whereas conceptual skills gain importance at higher levels and technical skills gain importance at lower levels.

FOR DISCUSSION Which management skills and competencies do you consider the most difficult to develop, and why?
Multiple-Choice Questions

1. The process of management involves the functions of planning, __________, leading, and controlling.
   (a) accounting  (b) creating  (c) innovating  (d) organizing

2. An effective manager achieves both high-performance results and high levels of __________ among people doing the required work.
   (a) turnover  (b) effectiveness  (c) satisfaction  (d) stress

3. Performance efficiency is a measure of the __________ associated with task accomplishment.
   (a) resource costs  (b) goal specificity  (c) product quality  (d) product quantity

4. The requirement that a manager answer to a higher-level boss for performance results achieved by a work team is called __________.
   (a) dependency  (b) accountability  (c) authority  (d) empowerment

5. Productivity is a measure of the quantity and __________ of work produced, relative to the cost of inputs.
   (a) quality  (b) cost  (c) timeliness  (d) value

6. __________ managers pay special attention to the external environment, looking for problems and opportunities and finding ways for the organization to best deal with them.
   (a) Top  (b) Middle  (c) Lower  (d) First-line

7. The accounting manager for a local newspaper would be considered a __________ manager, whereas the editorial director for sports would be considered a __________ manager.
   (a) general, functional  (b) middle, top  (c) staff, line  (d) senior, junior

8. When a team leader clarifies desired work targets and deadlines for members of a work team, he or she is fulfilling the management function of __________.
   (a) planning  (b) delegating  (c) controlling  (d) supervising

9. The process of building and maintaining good relationships with others who may help implement a manager’s work agendas is called __________.
   (a) governance  (b) networking  (c) authority  (d) entrepreneurship

10. In Katz’s framework, top managers tend to rely more on their __________ skills than do first-line managers.
    (a) human  (b) conceptual  (c) decision-making  (d) technical

11. The research of Mintzberg and others concludes that managers __________.
    (a) work at a leisurely pace  (b) have blocks of private time for planning  (c) are never free from the pressures of performance responsibility  (d) have the advantages of flexible work hours

12. When someone holds a negative attitude toward minorities, this is an example of __________. When a team leader with a negative attitude toward minorities makes a decision to deny advancement opportunities to a Hispanic team member, this is an example of __________.
    (a) discrimination, prejudice  (b) emotional intelligence, social capital  (c) performance efficiency, performance effectiveness  (d) prejudice, discrimination

13. Trends in the new workplace include which of the following?
    (a) More emphasis by managers on giving orders.
    (b) More attention by organizations to valuing people as human assets.
    (c) Less teamwork.
    (d) Less concern for work–life balance among the new generation of workers.

14. The manager’s role in the “upside-down pyramid” view of organizations is best described as providing __________ so that workers can directly serve __________.
    (a) direction, top management  (b) leadership, organizational goals  (c) support, customers  (d) agendas, networking

15. The management function of __________ is being performed when a retail manager measures daily sales in the women’s apparel department and compares them with daily sales targets.
    (a) planning  (b) agenda setting  (c) controlling  (d) delegating
Short-Response Questions

16. Discuss the importance of ethics in the relationship between managers and the people they supervise.

17. Explain how “accountability” operates in the relationship between (a) a team leader and her team members, and (b) the same team leader and her boss.

18. Explain how the “glass ceiling effect” may disadvantage newly hired African American college graduates in a large corporation.

19. What is globalization, and what are its implications for working in the new economy?

Essay Question

20. You have just been hired as the new head of an audit team for a national accounting firm. With four years of experience, you feel technically well prepared for the assignment. However, this is your first formal appointment as a “manager.” Things are complicated at the moment. The team has 12 members of diverse demographic and cultural backgrounds, as well as work experience. There is an intense workload and lots of performance pressure. How will this situation challenge you to develop and use essential managerial skills and related competencies to manage the team successfully to high levels of auditing performance?

Management Skills & Competencies Make yourself valuable!

Evaluate Career Situations for New Managers

What Would You Do?

1. Opportunity with Foreign Employer
   One of the plus sides of globalization is new jobs created by foreign employers setting up operations in local communities. How about you: Does it make any difference if you receive a job offer from a foreign employer such as Honda or a domestic one such as Ford? Assume you just had an offer from Honda for a great job in Marysville, Ohio. Prepare a Job Hunter’s Balance Sheet. On the left list the “pluses” and on the right the “minuses” of working at home for a foreign employer.

2. Interviewing for Dream Job
   It’s time to take your first interview for a “dream” job. The interviewer is sitting across the table from you. She smiles, looks you in the eye, and says: “You have a very nice academic record and we’re impressed with your extracurricular activities.” But she then says: “Now tell me, just what can you do for us that will add value to the organization right from day one?” You’re on the spot. How will you answer? What can you add to the conversation that clearly shows you have strong human and conceptual skills, not just technical ones?

3. Supervising Old Friends
   When people are promoted into management, they sometimes end up supervising friends and colleagues they previously worked with. This could happen to you. When it does, how can you best deal with this situation right from the start? What will you do to earn the respect of everyone under your supervision and set the foundations for what will become a well-regarded and high-performing work team?

Reflect on the Self-Assessment

Career Readiness “Big 20”

Instructions
Use this scale to rate yourself on the following “Big 20” personal characteristics for management and career success.¹⁰

(S) Strong, I am very confident with this one.
(G) Good, but I still have room to grow.
(W) Weak, I really need work on this one.
(U) Unsure, I just don’t know.

Big 20 Personal Characteristics

1. Inner work standards: The ability to personally set and work to high performance standards.
2. Initiative: The ability to actively tackle problems and take advantage of opportunities.
3. Analytical thinking: The ability to think systematically and identify cause–effect patterns in data and events.
4. Creative thinking: The ability to generate novel responses to problems and opportunities.
5. Reflective thinking: The ability to understand yourself and your actions in the context of society.
6. Social objectivity: The ability to act free of racial, ethnic, gender, and other prejudices or biases.
7. Social intelligence: The ability to understand another person’s needs and feelings.
8. Emotional intelligence: The ability to recognize and manage emotions.
9. Cultural intelligence: The ability to respect other cultures and work well in diverse cultural settings.
10. Interpersonal relations: The ability to work well with others and in teams.
11. Self-confidence: The ability to be consistently decisive and willing to take action.
12. Self-objectivity: The ability to evaluate realistically personal strengths, weaknesses, motives, and skills.
13. Tolerance for uncertainty: The ability to work in ambiguous and uncertain conditions.
14. Adaptability: The ability to be flexible and adapt to changes.
15. Stress management: The ability to get work under stressful conditions.
16. Stamina: The ability to sustain long work hours.
17. Communication: The ability to communicate well orally and in writing.
18. Impression management: The ability to create and sustain a positive impression in the eyes of others.
19. Introspection: The ability to learn from experience, awareness, and self-study.
20. Application: The ability to apply learning and use knowledge to accomplish things.

Self-Assessment Scoring
Give yourself 1 point for each S, and 1/2 point for each G. Do not give yourself points for W and U responses. Total your points and enter the result here [ ________ ].

Interpretation
This assessment is a good starting point for considering where and how you can further develop useful managerial skills and competencies. It offers a self-described profile of your personal management foundations—things that establish strong career readiness. The higher you score the better. Are you a perfect 10, or something less? There shouldn’t be too many 10s around. Ask someone you know to assess you on this instrument as well. You may be surprised at the differences between your score and the one they come up with.

Contribute to the Class Exercise
My Best Manager
Preparation
Working alone, make a list of the behavioral attributes that describe the “best” manager you have ever had. This could be someone you worked for in a full-time or part-time job, summer job, volunteer job, student organization, or elsewhere. If you have trouble identifying an actual manager, make a list of behavioral attributes of the manager you would most like to work for in your next job.

1. Make of list of the behavioral attributes that describe the “worst” manager you have ever had.
2. Write a short synopsis of things that this bad manager actually did or said that would qualify for “Believe it or not, it’s really true” status.
3. If you also made a list of attributes for your “best” manager, write a quick summary of the most important differences that quickly sort out your best from your worst.

Activity
Form into groups as assigned by your instructor, or work with a nearby classmate. Share your list of attributes and listen to the lists of others. Be sure to ask questions and make comments on items of special interest.

Work together in the group to create a master list that combines the unique attributes of the “best” and/or “worst” managers experienced by members. Have a spokesperson share that list with the rest of the class for further discussion. Share the “Believe it or not!” stories provided by group members.

Manage a Critical Incident
Team Leader Faces Test
It’s happened again for the second time in a week. Charles walked into your cubicle and started a rant about his not getting enough support from you as his team leader. Before you could say anything, he accused you of playing favorites in assigning projects and not giving him the respect he deserved for his seniority and expertise. Then he gave you an angry look, turned around, and stomped off. You let it go the last time he exploded like this. And after cooling down, he came by later to apologize and give you a fist-bump of reconciliation. You’ve since learned, however, that the other team members have been on the receiving end of his outbursts and are starting to complain to one another about him. Charles is your top software engineer and has a lot of technical expertise to offer the team and you. He’s a valuable talent, but his behavior has become intolerable. It’s time for action.

Questions
How do you handle Charles and the full team in these circumstances? Does this call for direct confrontation between you and him? If so, how do you handle it? If not, how do you handle it? Is this something that the team as a whole needs to get involved with? If so, how do you proceed as team leader? How can you use each of the management functions to best deal with this situation? How can essential managerial skills help you succeed in this and similar situations?
Collaborate on the Team Activity

The Amazing Great Job Race

The fantastic variety of jobs out there for the well-prepared candidate is almost unimaginable. But our lives have gotten busy—really complicated! We spend time with work, school work, meetings, friends, family, video games, listening to music, watching television, surfing the Internet, going to concerts, social engagements, and so on! It seems like our calendars are always full with activities, leaving less time available to figure out what we really want from a first “real” job and a career.

You might say or hear: “I haven’t got time for that—I need a job now . . . !” It’s easy to overestimate how much you can get done at the last minute. There may also be lots of uncertainty as to what kind of job you really want. Thinking about likes and dislikes, talents and areas of deficit, goals, aspirations, wants, needs, understanding yourself and what makes you happy—all take time. It also takes time spent in the right ways.

A job that looks really great to you might require a series of classes that you haven’t taken, an internship that you haven’t done, software that you don’t know, or a foreign language you don’t speak. If you spend time thinking about what you want, searching for what’s out there, and figuring out now what you’ll need in order to be prepared when you graduate, you just might find yourself running and winning the Amazing Great Job Race.

Instructions

1. Reflect: What classes have you enjoyed the most? What did you like most about them? How was your thinking challenged in these courses? What work experiences have been most satisfying for you? Why?

2. Share: Listen without criticism to how others in the group answered these reflection questions. Share your answers and listen to the comments of others. Turn group discussion into a brainstorming session about the kinds of jobs each member might like to do and the careers they might pursue.

3. Debate: Push each other to identify baseline requirements for jobs that might be good fits for them. Ask: What classes would you need to take to be in a position to compete for these jobs? What kinds of internships would you need to participate in order to gain experience and access? What tests and certifications might be necessary? How much time would these preparations take so that you are ready to compete for your best job with other candidates who might want it also?

Analyze the Case Study

TRADER JOE’S
Keeping a Cool Edge

Go to Management Cases for Critical Thinking at the end of the book to find this case.