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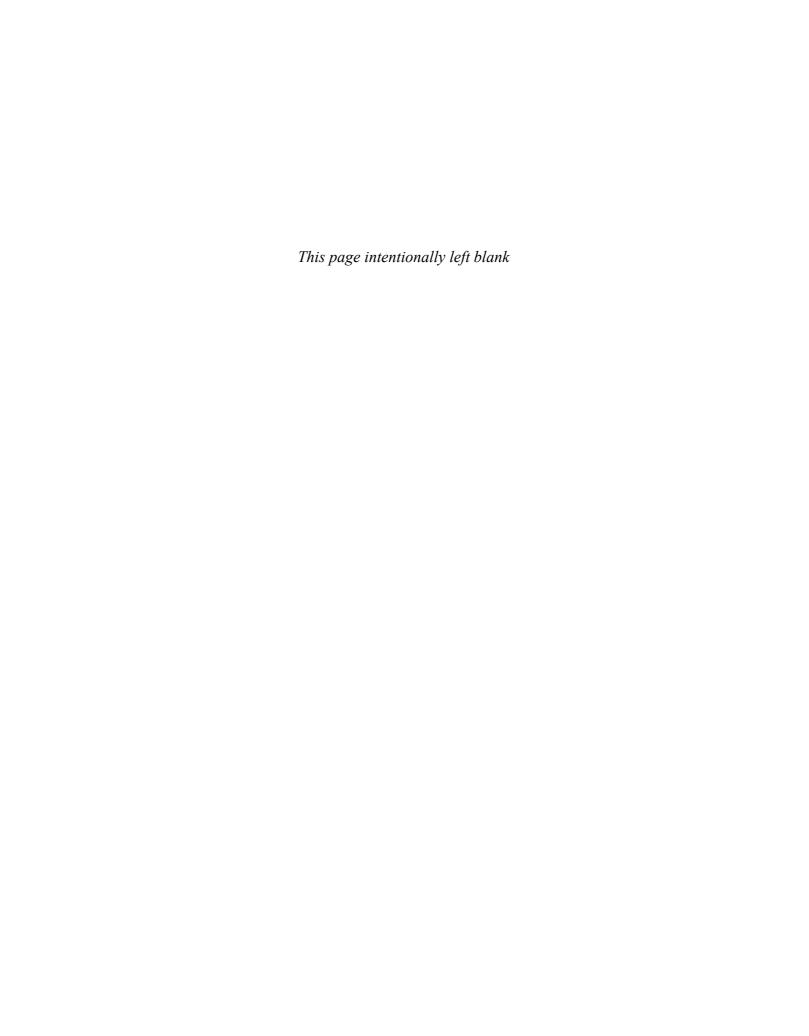
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# FUNDAMENTALS of MANAGEMENT

**ESSENTIAL CONCEPTS AND APPLICATIONS** 



# FUNDAMENTALS OF MANAGEMENT 8e

# **ESSENTIAL CONCEPTS AND APPLICATIONS**

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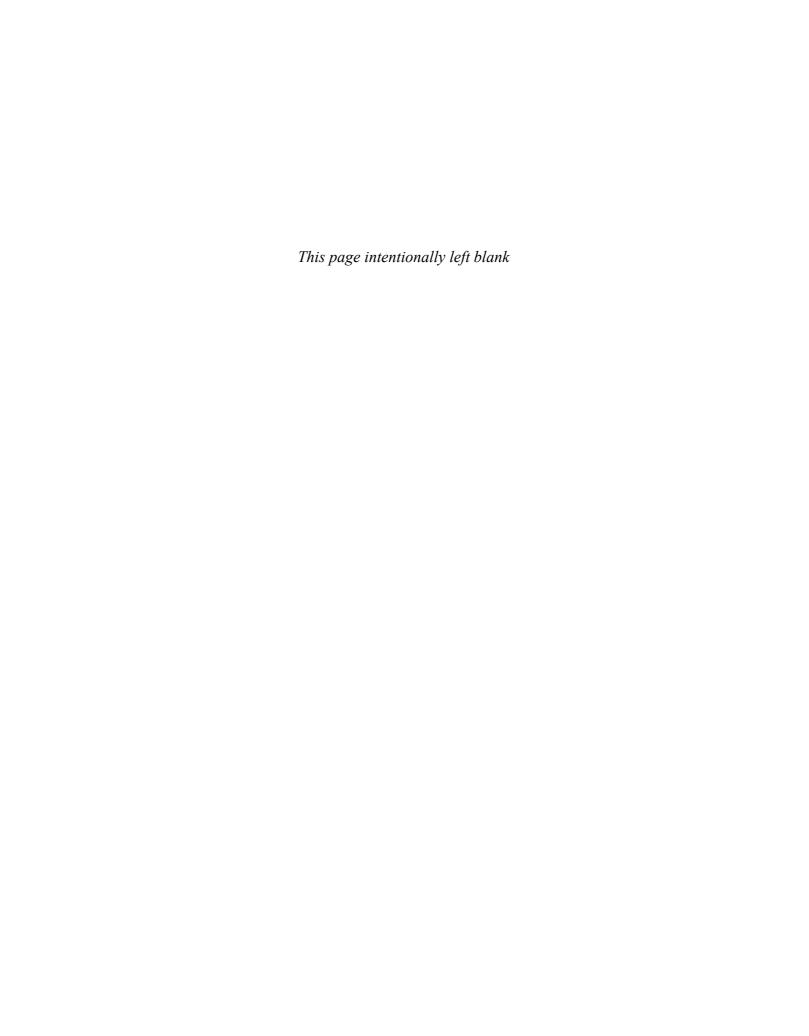


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# TO MY WIFE, LAURA

STEVE				
TO MY FAMILY WHO CONTINUE TO HELP ME UNDERSTAND WHAT LIFE IS ABOUT, WHO ARE THERE THROUGH THICK AND THIN, AND WHO DEMONSTRATE WHAT IS GOOD ABOUT PEOPLE TODAY. TO TERRI, MARK, MEREDITH, GABRIELLA, AND NATALIE, THANK YOU FOR MAKING ME THE PERSON I AM TODAY.				
DAVE				
To Brooklynnmy sweet baby girl!				

MARY



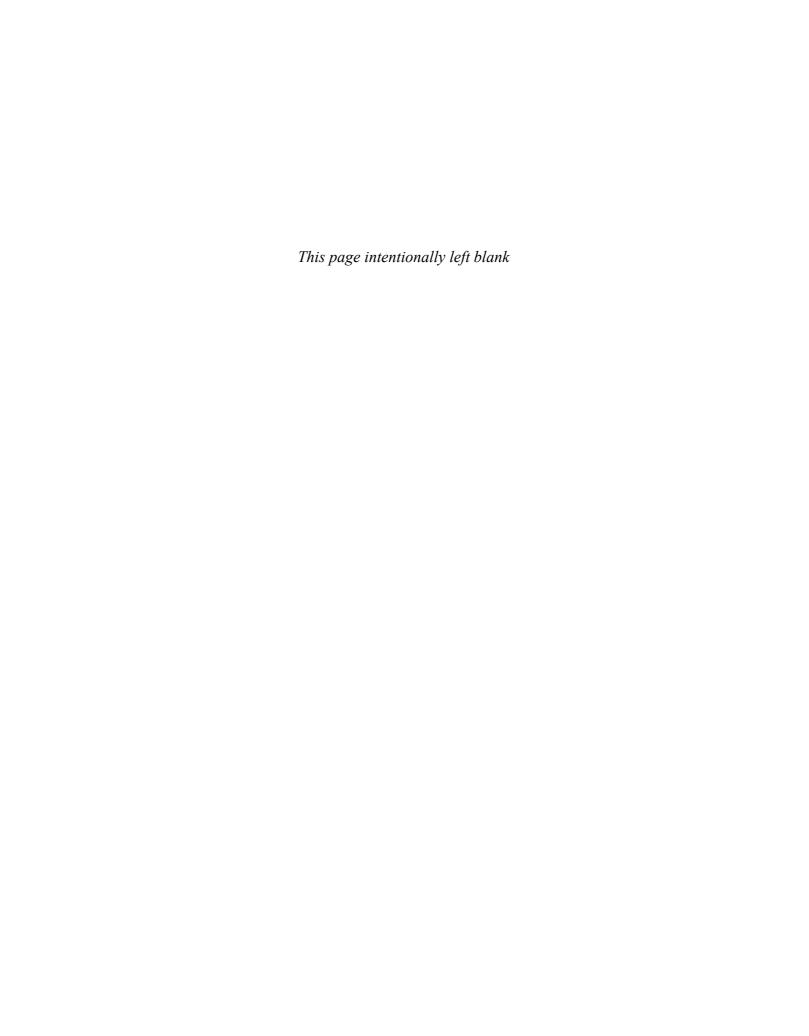
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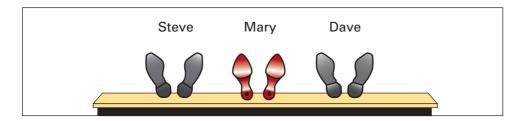
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# A Short Note to Students

# **Get Experienced!**



While we have your "first-page" attention, we want to ask you a few important questions.

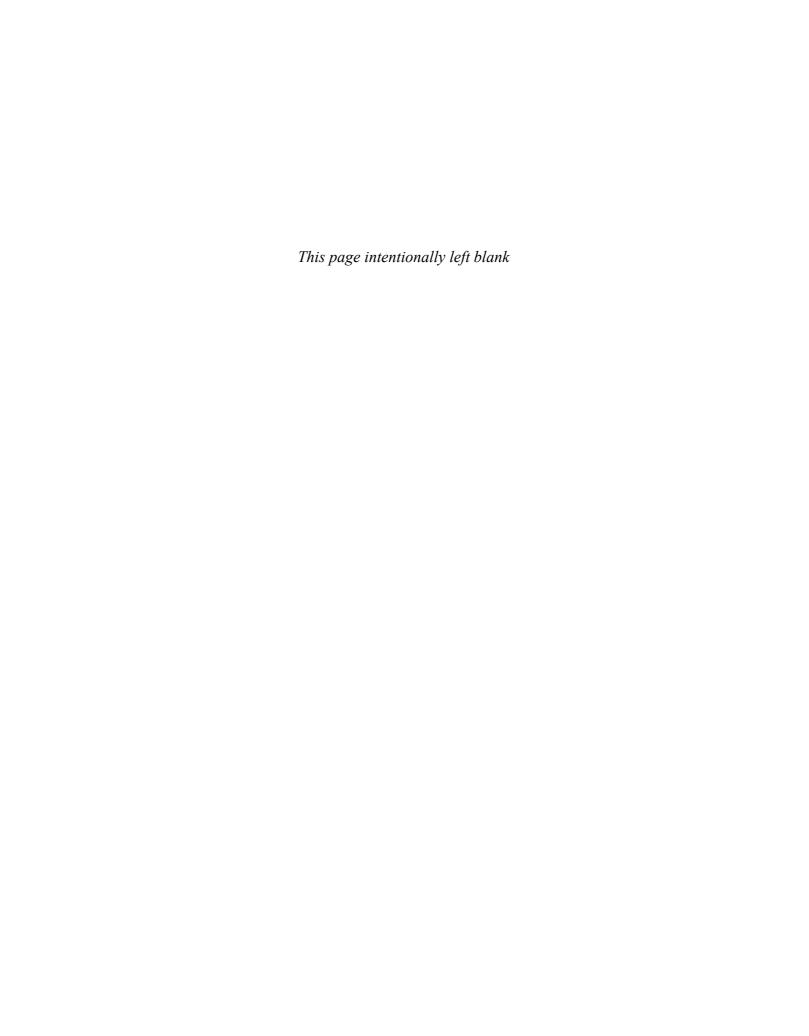
- 1. Did you ever wish you could experience a course in a way that best suits your learning style and your schedule?
- 2. Wouldn't it be nice to find out exactly what you know or don't know?
- **3.** How would you like to create your own study plan, one that lets you monitor your own learning progress, where—at a glance—you could see exactly which topics you need to review?
- **4.** Did you ever wish that you could have this study plan linked to a variety of interactive content to help you learn the material?
- **5.** What about having it all online 24/7?

If you answered *Yes* to any of the above, then **MyManagementLab**, the online homework tool that is available for this book, is for you. It was built with your course and your unique learning style in mind. No complicated registration, no complicated interface, just a straightforward, read it, learn it, and experience it.

# Go ahead. Get experienced.

Good luck this semester and we hope you enjoy reading this book as much as we did writing it for you.

fleve Rossin Mary Coulter Dane De Ceyo



# Preface

Welcome to the eighth edition of *Fundamentals of Management!* A lot has changed in the world since *FOM* was first published in 1994. However, we haven't changed our commitment to providing you with the most engaging and up-to-date introduction to management paperback on the market. And how do we do this? By covering the essential concepts of management; providing a sound foundation for understanding the key issues; offering a strong, practical focus, including the latest research; and doing these with a writing style that you and your students will find interesting and straightforward.

This book continues the exciting design introduced in the last edition. We love the way it looks and the way management concepts are presented! And we hope you do, too! It's a self-contained learning package. In addition to the end-of-chapter summaries and review questions, we've organized all the chapter self-assessments, skills modules, hands-on manager's inbox exercises, and case applications into an easy-to-find and easy-to-use section at the back of the book. In addition, the text is supported by the most comprehensive Web site and supplement package, although your students will find the essential elements they need to understand and apply management concepts within the text itself. You have the choice about how best to use the materials: text only, online only, or text and online. It's your decision!

# What Key Changes Have We Made in the Eighth Edition?

You might not think that there could be too much new to put in a book ... especially an eighth edition one! But that's the great thing about a book that discusses managers and management! It's always easy to find new material just by paying attention to what's happening in the news! New issues and ideas are always confronting managers.

We also took a major step forward by adding a complete, self-contained section on developing management skills. It's one thing to *know* something. It's another to be able to *use* that knowledge. The skill-building exercises included in the *Your Turn to Be the Manager* section at the end of this book have been added to help you apply and use management concepts. The 18 skills selected were chosen because of their relevance to developing management competence and their linkage to one or more of the topic areas in this book.

For each of these 18 skills, we provide the following: (1) a self-assessment test, (2) a brief interpretation of what the self-assessment results mean, (3) a review of basic skill concepts and specific behaviors associated with developing competence in the skill, (4) a short, in-class application designed to provide you with an opportunity to practice the behaviors associated with the skill, and (5) several reinforcement activities to give you additional opportunities to practice and learn the behaviors associated with the skill.

In addition to this comprehensive skills material, take a look at some of the other new "things" we've included in this book:

- A new chapter on integrative managerial issues
- Your Turn to Be a Manager section at the end of the book, which includes by chapter a
  self-contained self-assessment/skills/skills practice module, a manager's in-box exercise, and a case application
- Quantitative Decision-Making Aids module

In addition, here is a chapter-by-chapter list of the topic additions and changes in the eighth edition:

# Chapter 1—Managers and Management

- New chapter opener (Symantec)
- New material on managerial roles
- New material on managerial competencies
- New examples
- New Right or Wrong ethics box (Derek Jeter)
- New Technology and the Manager's Job box (managing robots)
- New statistics in And the Survey Says box
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 37 percent of chapter endnotes include 2009–2011 references

# Chapter 2—The Management Environment

- New chapter opener (Zappos)
- New material on external environment
- Updated information on economic component of external environment
- Added material on omnipotent and symbolic views of management
- Added material on demographics component of external environment
- Added material on how external environment affects managers (jobs and unemployment, environmental uncertainty, and stakeholder relationships)
- Moved organizational culture material to this chapter
- · Added material on how culture affects managers
- · New examples
- Updated Right or Wrong ethics box (Steve Jobs, Apple, and medical leave)
- New From the Past to the Present box
- New statistics in the And the Survey Says box
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 50 percent of chapter endnotes include 2010–2011 references

# **Chapter 3—Integrative Managerial Issues**

- New chapter opener (Deutsche Telecom)
- Rearranged material in social responsibility section
- New material on how SR affects a company's financial performance
- New material on sustainability
- Included ethics material and discussion of three views of ethics in a separate section
- Added discussions of ethical leadership and ethics training
- Included diversity material in separate section
- Added material on different types of workforce diversity
- New examples

- New Right or Wrong box (McDonald's and its targeted Web sites)
- New statistics in the And the Survey Says box
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 29 percent of chapter endnotes include 2010–2011 references

# Chapter 4—Foundations of Decision Making

- New chapter opener (NASA)
- · New examples
- New Right or Wrong box (MTV and its new show *Skins*)
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 21 percent of chapter endnotes include 2010–2011 references

# **Chapter 5—Foundations of Planning**

- New chapter opener (Flip video camera and Cisco Systems)
- · New examples
- New Right or Wrong box (sobriety checkpoint smartphone app)
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 25 percent of chapter endnotes include 2010–2011 references

# Chapter 6—Organizational Structure and Design

- New chapter opener ("volunteer" workers and Verizon)
- New examples
- New section on flexible work arrangements
- New Right or Wrong box (ethical hacking of Apple iPad)
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 16 percent of chapter endnotes include 2010–2011 references

# Chapter 7—Managing Human Resources

- New chapter opener (UPS and driver training)
- New examples and updated statistics
- New Right or Wrong box (medical marijuana use in work-
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 28 percent of chapter endnotes include 2010–2011 references

# Chapter 8—Managing Change and Innovation

- New chapter opener (France Telecom and employee suicides)
- New examples and updated statistics
- Updated Right or Wrong box (organizational stress programs)
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 26 percent of chapter endnotes include 2010–2011 references

# **Chapter 9—Foundations of Individual Behavior**

- New chapter opener (HCL Technologies)
- · New examples and updated statistics
- Updated Right or Wrong box (employees trying to look good)
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 38 percent of chapter endnotes include 2010–2011 references

# **Chapter 10—Understanding Groups and Managing Work Teams**

- New chapter opener (Intel's Israel Development Center)
- New examples and updated statistics
- New Right or Wrong box (team coworkers sharing too much personal information)
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 29 percent of chapter endnotes include 2010–2011 references

# Chapter 11—Motivating and Rewarding Employees

- New chapter opener (Google)
- · New examples and updated statistics
- Added new material on motivating employees during rough economic conditions
- New Right or Wrong box (Borders paying bonuses to managers)
- Added "Think About" questions to boxes

- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 25 percent of chapter endnotes include 2010–2011 references

# Chapter 12—Leadership and Trust

- New chapter opener (Navy commander)
- New examples and updated statistics
- Added new material on leader-member exchange (LMX) theory
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 25 percent of chapter endnotes include 2010–2011 references

# Chapter 13—Managing Communication and Information

- New chapter opener (Best Buy)
- New examples and updated statistics
- Added new material on contemporary issues in communication
- New Right or Wrong box (office/workplace gossip)
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 19 percent of chapter endnotes include 2010–2011 references

# **Chapter 14—Foundations of Control**

- New chapter opener (BP's Deepwater Horizon)
- New examples and updated statistics
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 38 percent of chapter endnotes include 2010–2011 references

# Chapter 15—Operations Management

- New chapter opener (Starbucks)
- New examples and updated statistics
- New Right or Wrong box (reserved parking spaces)
- Added "Think About" questions to boxes
- New "Your Turn to Be the Manager" section with skills assessment and practice, experiential exercise, and case application
- 19 percent of chapter endnotes include 2010–2011 references

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- Communication abilities
- Ethical understanding and reasoning abilities
- Analytic skills
- Use of information technology
- Dynamics of the global economy
- Multicultural and diversity understanding
- Reflective thinking skills

These seven categories are AACSB Learning Standards. Questions that test skills relevant to those standards are tagged with the appropriate standard. For example, a question testing the moral questions associated with externalities would receive the ethical understanding and reasoning abilities tag.

**HOW CAN I USE THESE TAGS?** Tagged questions help you measure whether students are grasping the course content that aligns with the AACSB categories. In addition, the tagged questions may help to identify potential applications of these skills. This, in turn, may suggest enrichment activities or other educational experiences to help students achieve these goals.

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# MyManagementLab

MyManagementLab (www.mymanagementlab.com) is an easy-to-use online tool that personalizes course content and provides robust assessment and reporting to measure individual and class performance. All of the resources that students need for course success are in one place—flexible and easily adapted for your students' course experience.

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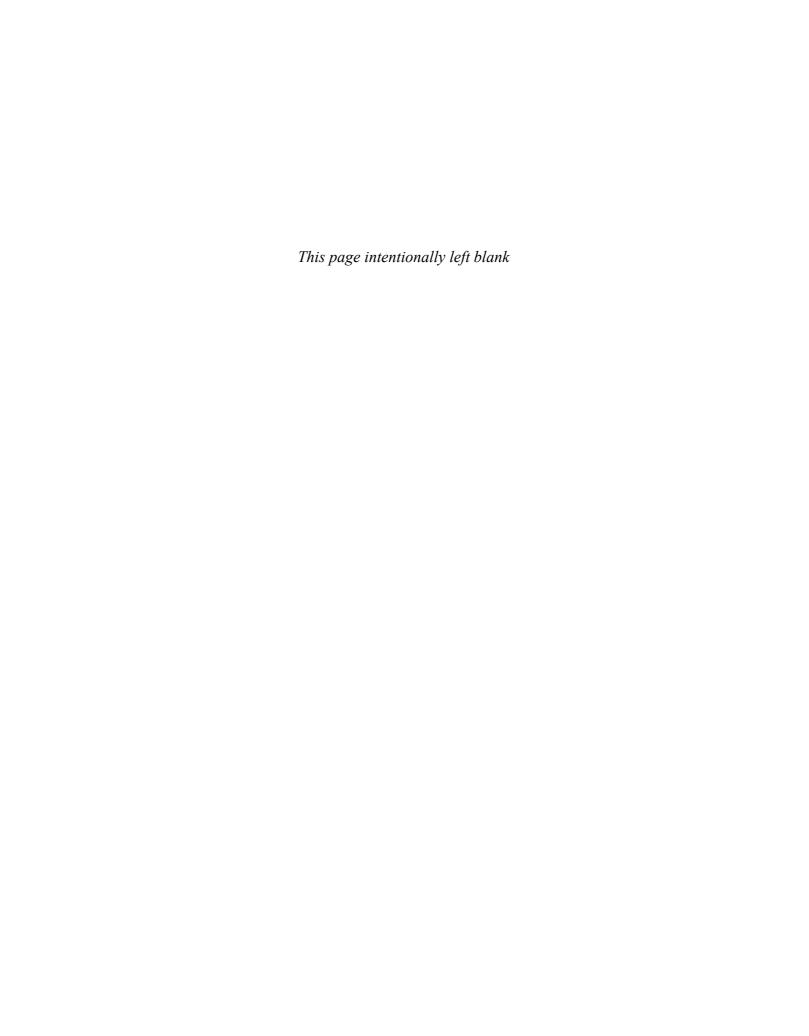
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# Thank You!

Steve, Dave, and I would like to thank you for considering and choosing our book for your management course. All of us have several years of teaching under our belt, and we know how challenging yet rewarding it can be. Our goal is to provide you with the best resources available to help you excel in the classroom!



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Dr. Robbins is the world's best-selling textbook author in the areas of management and organizational behavior. His books have sold more than 5 million copies and have been translated into 20 languages. His books are currently used at more than 1,500 U.S. colleges and universities, as well as hundreds of schools throughout Canada, Latin America, Australia, New Zealand, Asia, and Europe.

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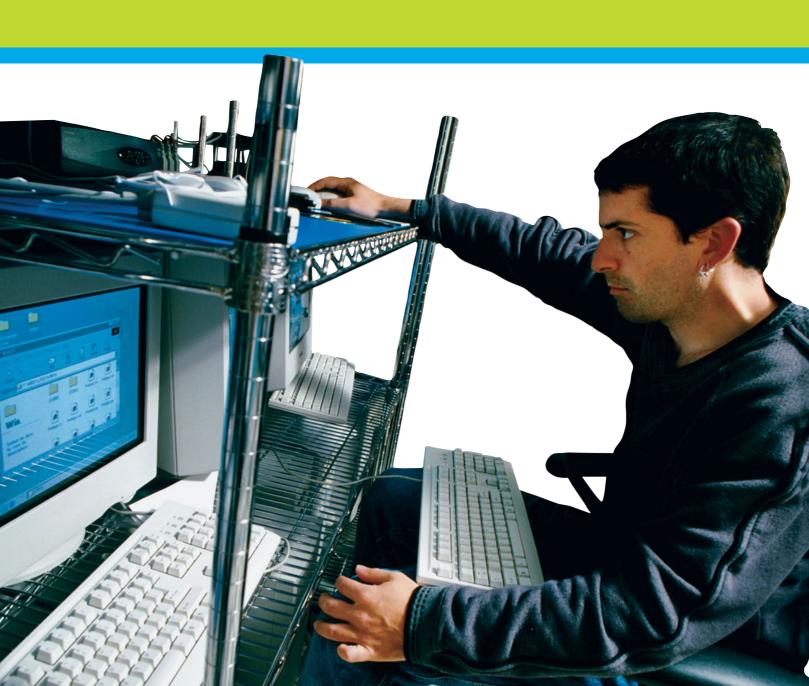
When she's not busy writing, Dr. Coulter enjoys puttering around in her flower gardens, trying new recipes, reading all different types of books, and enjoying many different activities with Ron, Sarah and James, Katie and Matt, and especially with her new granddaughter, Brooklynn. Love ya' my sweet baby girl!

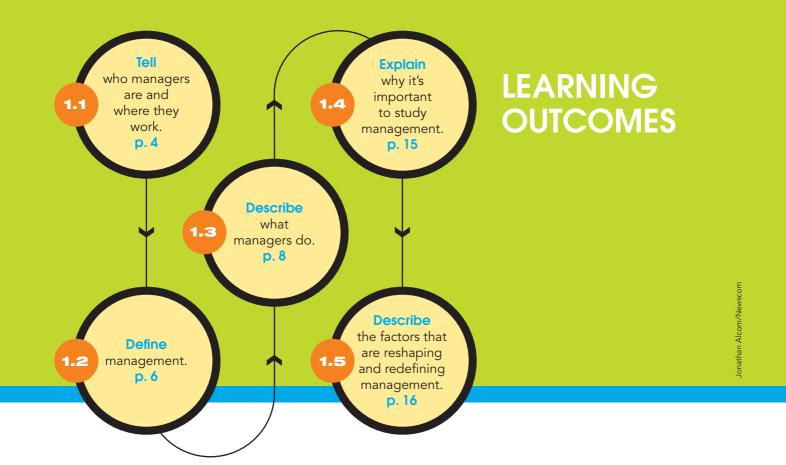






# CHAPTER Managers and Management





# Saving the World

'Imagine what life would be like if your product were never finished, if your work were never done, if your market shifted 30 times a day."

Sounds pretty crazy, doesn't it? However, the computer-virus hunters at Symantec Corporation don't have to imagine . . . that's the reality of their daily work. At the company's well-obscured Dublin facility (one of three around the globe), operations manager Patrick Fitzgerald must keep his engineers and researchers focused 24/7 on identifying and combating what the bad guys are throwing out there. Right now, they're trying to stay ahead of the biggest virus threat, Stuxnet, which targets computer systems running the environmental controls in industrial facilities, such as temperature in power plants, pressure in pipelines, automated timing, and so forth. The consequences of someone intent on doing evil getting control over such critical functions could be disastrous. That's why the virus hunters' work is never done. And it's why those who manage the virus hunters have such a challenging job.

Symantec's Patrick Fitzgerald seems to be a good example of a successful manager—that is, a manager successfully guiding employees as they do their work—in today's world. The key word here is example. There's no one universal model of what a successful manager is. Managers today can be under age 18 or over age 80. They may be women as well as men, and they can be found in all industries and in all countries. They manage small businesses, large corporations, government agencies, hospitals, museums, schools, and not-for-profit enterprises. Some hold top-level management jobs while others are middle managers or first-line supervisors.

Although most managers don't deal with employees who could, indeed, be saving the world, all managers have important jobs to do. This book is about the work they do. In this chapter, we introduce you to managers and management: who they are, where they work, what management is, what they do, and why you should spend your time studying management. Finally, we'll wrap up the chapter by looking at some factors that are reshaping and redefining management.

> WHO ARE MANAGERS AND WHERE DO THEY WORK?

Tell who managers are and where they work.

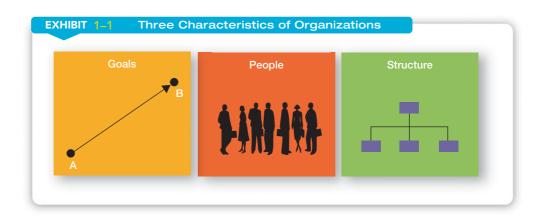
1.1

Managers work in organizations. So before we can identify who managers are and what they do, we need to define what an organization is: a deliberate arrangement of people brought together to accomplish some specific purpose. Your college or university is an organization. So are the United Way, your neighborhood convenience store, the Dallas Cowboys football team, fraternities and sororities, the Cleveland Clinic, and global companies such as Nestlé, Nokia, and Nissan. These organizations share three common characteristics. (See Exhibit 1–1.)

What Three Characteristics Do All

**Organizations Share?** 

The first characteristic of an organization is that it has a distinct purpose, which is typically expressed in terms of a goal or set of goals. For example, Bob Iger, Disney's president and CEO, has said his company's goal is to "focus on what creates the most value for our shareholders by delivering high-quality creative content and experiences, balancing respect for our legacy with the demand to be innovative, and maintaining the integrity of our people and products." That purpose or goal can only be achieved with people, which is the second common characteristic of organizations. An organization's people make decisions and engage in work activities to make the goal(s) a reality. Finally, the third characteristic is that all organizations develop a deliberate and systematic structure that defines and limits the behavior of its members. Within that structure, rules and regulations might guide what people can or cannot do, some members will



supervise other members, work teams might be formed, or job descriptions might be created so organizational members know what they're supposed to do.

# How Are Managers Different from Nonmanagerial Employees?

Although managers work in organizations, not everyone who works in an organization is a manager. For simplicity's sake, we'll divide organizational members into two categories: nonmanagerial employees and managers. Nonmanagerial **employees** are people who work directly on a job or task and have no responsibility for overseeing the work of others. The employees who ring up your sale at Home Depot, make your burrito at Chipotle, or process your course registration in your college's registrar's office are all nonmanagerial employees. These 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. For example, regional sales managers for Motorola also have responsibilities in servicing some customer accounts in addition to overseeing the activities of the other sales associates in their territories.

# What Titles Do Managers Have?

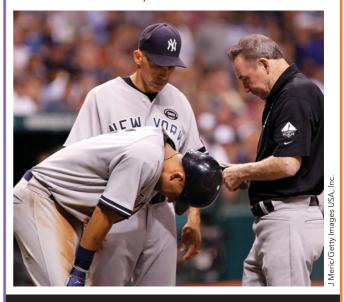
Identifying exactly who the managers are in an organization isn't difficult, but be aware that they can have a variety of titles. Managers are usually classified as top, middle, or first-line. (See Exhibit 1–2.) **Top managers** are those at or near the top of an organization. For instance, as the CEO of Kraft Foods Inc., Irene Rosenfeld is responsible for making decisions about the direction of the organization and establishing policies and philosophies that affect all organizational members. Top managers typically have titles such as vice president, president, chancellor, managing director, chief operating officer, chief executive officer, or chairperson of the board. Middle managers are those managers found between the lowest and top levels of the organization. For example, the plant manager at the Kraft manufacturing facility in Springfield, Missouri, is a middle manager. These individuals often manage other managers and maybe some nonmanagerial employees and are typically responsible for translating the goals set by top managers into specific details that lower-level managers will

# RIGHT WRONG

Managers at all levels have to deal with ethical dilemmas and those ethical dilemmas are found in all kinds of circumstances. For instance, New York Yankees shortstop Derek Jeter, who is regarded as an upstanding and outstanding player in Major League Baseball, admitted that in a September 2010 game against the Tampa Bay Devil Rays he faked being hit by a pitch in order to get on base. According to game rules, a hit batter automatically moves to first base. In this case, the ball actually hit the knob of Jeter's bat, but he acted as if the pitch had actually struck him. Jeter later scored a run, although the Yankees ultimately lost the game. Such ethical dilemmas are part and parcel of being a manager and although they're not easy, you'll learn how to recognize such dilemmas and appropriate ways of responding.

# **Think About:**

- What do you think? Were Jeter's actions acceptable (i.e., ethical)?
- Does the fact that theatrics are part of all sports competitions make it acceptable?
- Was it the umpire's "fault" for missing the call?
- Did the team manager have any responsibility to respond to Jeter's action?
- What if the Yankees had actually won the game by one run? Would that make a difference in how you feel about this?



### organization

A systematic arrangement of people brought together to accomplish some specific purpose

# nonmanagerial employees

People who work directly on a job or task and have no responsibility for overseeing the work of others

### manager

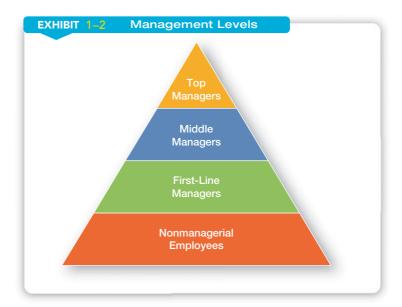
Individuals in an organization who direct the activities of others

# top managers

Individuals who are responsible for making decisions about the direction of the organization and establishing policies that affect all organizational members

# middle managers

Individuals who are typically responsible for translating goals set by top managers into specific details that lower-level managers will see get done



see get done. Middle managers may have such titles as department or agency head, project leader, unit chief, district manager, division manager, or store manager. First-line managers are those individuals responsible for directing the day-to-day activities of nonmanagerial employees. For example, the third-shift manager at the Kraft manufacturing facility in Springfield is a first-line manager. First-line managers are often called supervisors, team leaders, coaches, shift managers, or unit coordinators.

# WHAT IS MANAGEMENT?

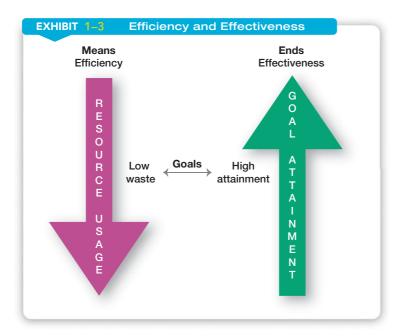
**Define** management. Simply speaking, management is what managers do. But that simple statement doesn't tell us much. A better explanation is that management is the process of getting things done, effectively and efficiently, with and through other people. We need to look closer at some key words in this definition.

A process refers to a set of ongoing and interrelated activities. In our definition of management, it refers to the primary activities or functions that managers perform. We'll explore these functions more in the next section.

Efficiency and effectiveness have to do with the work being done and how it's being done. Efficiency means doing a task correctly ("doing things right") and getting the most output from the least amount of inputs. Because managers deal with scarce inputs—including resources such as people, money, and equipment—they're concerned with the efficient use of those resources. Managers want to minimize resource usage and thus resource costs.

It's not enough, however, just to be efficient. Managers are also concerned with completing activities. In management terms, we call this effectiveness. Effectiveness means "doing the right things" by doing those work tasks that help the organization reach its goals. Whereas efficiency is concerned with the *means* of getting things done, effectiveness is concerned with the *ends*, or attainment of organizational goals. (See Exhibit 1–3.)

Although efficiency and effectiveness are different, they are interrelated. For instance, it's easier to be effective if you ignore efficiency. If Hewlett-Packard disregarded labor and material input costs, it could produce more sophisticated and longer-lasting toner cartridges for its laser printers. Similarly, some government agencies have been regularly criticized for being reasonably effective but extremely inefficient. Our conclusion: Poor management is most often due to both inefficiency and ineffectiveness or to effectiveness achieved without regard for efficiency. Good management is concerned with both attaining goals (effectiveness) and doing so as efficiently as possible.



# O From the Past to the Present O

Where did the terms management or manager originate?<sup>4</sup> The terms are actually centuries old. 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. That origin arose from the way that horses were guided, controlled, or directed where to go—that is, through using one's hand. As used in the way we've defined it in terms of overseeing and directing organizational members, however, the words management and manager are more appropriate to the earlytwentieth-century time period. Peter Drucker, the late management writer, studied and wrote about management for more than 50 years. He said, "When the first business schools in the United States opened around the turn of the twentieth century, they did not offer a single course in management. At about that same time, the word 'management' was first popularized by Frederick Winslow Taylor." Let's look at what Taylor contributed to what we know about management today.

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. Taylor worked at the Midvale and Bethlehem Steel Companies in Pennsylvania. As a mechanical engineer with a Quaker and Puritan background, he was continually appalled by workers' inefficiencies. Employees used vastly different techniques to do the same job. They often "took it easy" on the job,

and Taylor believed that worker output was only about one-third of what was possible. Virtually no work standards existed. Workers were placed in jobs with little or no concern for matching their abilities and aptitudes with the tasks they were required to do. Taylor set out to remedy that by applying the scientific method to shop-floor jobs. He spent more than two decades passionately pursuing the "one best way" for such jobs to be done. Based on his ground-breaking studies of manual workers using scientific principles, Taylor became known as the "father" of scientific management. His ideas spread in the United States and to other countries and inspired others to study and develop methods of scientific management. These early management writers paved the way for our study of management, an endeavor that continues today as you'll discover as you read and study the materials in this textbook.

# Think About:

- How do the origins of the words *manager* and *management* relate to what we know about managers and management today?
- What kind of workplace do you think Taylor would create?
- How have Taylor's views contributed to how management is practiced today?
- Could scientific management principles help you be more efficient? Choose a task you do regularly (such as laundry, grocery shopping, studying for exams, etc.). Analyze it by writing down the steps involved in completing that task. See if there are activities that could be combined or eliminated. Find the "one best way" to do this task. And the next time you have to do this task, try the scientifically managed way! See if you become more efficient—keeping in mind that changing habits isn't easy to do.

# first-line managers

Supervisors responsible for directing the day-to-day activities of nonmanagerial employees

# management

The process of getting things done, effectively and efficiently, through and with other people

### efficienc

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

# effectiveness

Doing the right things, or completing activities so that organizational goals are attained

# scientific management

The use of scientific methods to define the "one best way" for a job to be done



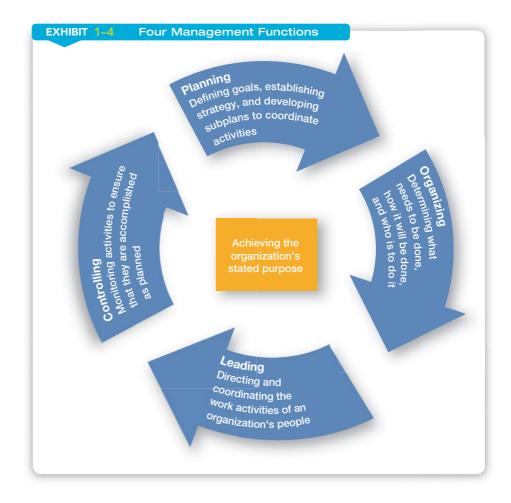
# WHAT DO MANAGERS DO?

Describing what managers do isn't easy because, just as no organizations are alike, neither are managers' jobs. Despite that fact, managers do share some common job elements, whether the manager is a head nurse in the cardiac surgery unit of the Cleveland Clinic overseeing a staff of critical care specialists or the president of O'Reilly Automotive establishing goals for the company's more than 44,000 team members. Management researchers have developed three approaches to describe what managers do: functions, roles, and skills/competencies. Let's look at each.

# What Are the Four Management Functions?

According to the functions approach, managers perform certain activities or functions as they direct and oversee others' work. What are these functions? In the early part of the twentieth century, a French industrialist by the name of Henri Fayol proposed that all managers perform five management activities: plan, organize, command, coordinate, and control. Today, these management functions have been condensed to four: planning, organizing, leading, and controlling. (See Exhibit 1–4.) Most management textbooks continue to use the four functions approach. Let's look briefly at each function.

Because organizations exist to achieve some purpose, someone has to define that purpose and find ways to achieve it. A manager is that someone and does this by planning. Planning includes defining goals, establishing strategy, and developing plans to



coordinate activities. Setting goals, establishing strategy, and developing plans ensures that the work to be done is kept in proper focus and helps organizational members keep their attention on what is most important.

Managers are also responsible for arranging and structuring work to accomplish the organization's goals. This function is called **organizing**. Organizing includes determining what tasks are to be done and by whom, how tasks are to be grouped, who reports to whom, and who will make decisions.

We know that every organization has people. And it's part of a manager's job to direct and coordinate the work activities of those people. This is the leading function. When managers motivate employees, direct the activities of others, select the most effective communication channel, or resolve conflicts among members, they're leading.

munication channel, or resolve conflicts among members, they're leading.

The fourth and final management function is controlling, which involves monitoring, comparing, and correcting work performance. After the goals are set, the plans formulated, the structural arrangements determined, and the people hired, trained, and motivated, there has to be some evaluation to see if things are going as planned. Any significant deviations will require that the manager get work back on track.

Just how well does the functions approach describe what managers do? Is it an accurate description of what managers actually do? Some have argued that it isn't.<sup>6</sup> So, let's look at another perspective on describing what managers do.

# **What Are Management Roles?**

Fayol's original description of management functions wasn't derived from careful surveys of managers in organizations. Rather, it simply represented his observations and experiences in the French mining industry. In the late 1960s, Henry Mintzberg did an empirical study of five chief executives at work.<sup>7</sup> What he discovered challenged longheld notions about the manager's job. For instance, in contrast to the predominant view that managers were reflective thinkers who carefully and systematically processed information before making decisions, Mintzberg found that the managers he studied engaged in a number of varied, unpatterned, and short-duration activities. These managers had little time for reflective thinking because they encountered constant interruptions and their activities often lasted less than nine minutes. In addition to these insights, Mintzberg provided a categorization scheme for defining what managers do based on the managerial roles they use at work. These managerial roles referred to specific categories of managerial actions or behaviors expected of a manager. (To help you better understand this concept, think of the different roles you play—such as student, employee, volunteer, bowling team member, sibling, and so forth—and the different things you're expected to do in those roles.)



o44/Newscol

As president and CEO of the Johnny Rockets restaurant chain, John Fuller develops plans to achieve the company's widespread expansion strategy. Fuller's vision is to extend the chain's focus of providing customers with an entertaining dining experience and classic American food such as burgers, fries, and shakes. Fuller plans to increase the chain's market penetration by launching new store concepts and by entering new domestic and international markets such as India and South Korea. Concepts for new restaurants include sports lounges, mobile kitchens, and a model that offers a streamlined menu and a createyour-own-burger option. Fuller is shown here with Johnny Rockets restaurant servers who are known for dancing on the job.

### planning

Includes defining goals, establishing strategy, and developing plans to coordinate activities

### organizing

Includes determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and who will make decisions

### leading

Includes motivating employees, directing the activities of others, selecting the most effective communication channel, and resolving conflicts

### controlling

Includes monitoring performance, comparing it with goals, and correcting any significant deviations

# managerial roles

Specific categories of managerial behavior; often grouped around interpersonal relationships, information transfer, and decision making

Mintzberg concluded that managers perform 10 different but interrelated roles. These 10 roles, as shown in Exhibit 1–5, are grouped around interpersonal relationships, the transfer of information, and decision making. The interpersonal roles are ones that involve people (subordinates and persons outside the organization) and other duties that are ceremonial and symbolic in nature. The three interpersonal roles are figurehead, leader, and liaison. The informational roles involve collecting, receiving, and disseminating information. The three information roles include monitor, disseminator, and spokesperson. Finally, the decisional roles entail making decisions or choices. The four decisional roles are entrepreneur, disturbance handler, resource allocator, and negotiator.

Recently, Mintzberg completed another intensive study of managers at work and concluded that, "Basically, managing is about influencing action. It's about helping organizations and units to get things done, which means action."8 Based on his observations, Mintzberg said managers do this in three ways: (1) by managing actions directly (for instance, negotiating contracts, managing projects, etc.), (2) by managing people who take action (for example, motivating them, building teams, enhancing the organization's culture, etc.), or (3) by managing information that propels people to take action (using budgets, goals, task delegation, etc.). According to Mintzberg, a manager has two roles—framing, which defines how a manager approaches his or her job; and scheduling, which "brings the frame to life" through the distinct tasks the manager does. A manager "performs" these roles while managing actions directly, managing people who take action, or managing information. Mintzberg's newest study gives us additional insights on the manager's job, adding to our understanding of what it is that managers do.

So which approach is better—functions or roles? Although each does a good job of describing what managers do, the functions approach still seems to be the generally accepted way of describing the manager's job. Its continued popularity is a tribute to its clarity and simplicity. "The classical functions provide clear and discrete methods of classifying the thousands of activities that managers carry out and the techniques they use in terms of the functions they perform for the achievement of goals." However, Mintzberg's initial roles approach and newly developed model of managing do offer us other insights into what managers do.

# Mintzberg's Managerial Roles

### **INTERPERSONAL ROLES**

- Figurehead
- Leader
- Liaison

# **INFORMATIONAL ROLES**

- Monitor
- Disseminator
- Spokesperson

# **DECISIONAL ROLES**

- Entrepreneur
- Disturbance handler
- Resource allocator
- Negotiator

Source: Based on Mintzberg, Henry, The Nature of Managerial Work, 1st edition, © 1973.







# What Skills and Competencies Do **Managers Need?**

The final approach we're going to look at for describing what managers do is by looking at the skills and competencies they need in managing. Dell Inc. is a company that understands the importance of management skills. 10 Its first-line managers go through an intensive five-day offsite skills training program. One of the company's directors of learning and development thought this was the best way to develop "leaders who can build that strong relationship with their front-line employees." What have the supervisors learned from the skills training? Some things mentioned included how to communicate more effectively and how to refrain from jumping to conclusions when discussing a problem with a worker. Management researcher Robert L. Katz and others have proposed that managers must possess and use four critical management skills in managing.<sup>11</sup>

**Conceptual skills** are the skills managers use to analyze and diagnose complex situations. They help managers see how things fit together and facilitate making good decisions. Interpersonal skills are those skills involved with working well with other people both individually and in groups. Because managers get things done with and through other people, they must have good interpersonal skills to communicate, motivate, mentor, and delegate. Additionally, all managers need fechnical skills, which are the job-specific knowledge and techniques needed to perform work tasks. These abilities are based on specialized knowledge or expertise. For top-level managers, these abilities tend to be related to knowledge of the industry and a general understanding of the organization's processes and products. For middle- and lower-level managers, these abilities are related to the specialized knowledge required in the areas where they work—finance, human resources, marketing, computer systems, manufacturing, information technology, and so forth. Finally, managers need and use political skills to build a power base and establish the right connections. Organizations are political arenas in which people compete for resources. Managers who have and know how to use political skills tend to be better at getting resources for their groups.

More recent studies have focused on the competencies managers need in their positions as important contributors to organizational success. One such study identified nine managerial competencies including: traditional functions (encompassing tasks such as decision making, short-term planning, goal setting, monitoring, team building, etc.); task orientation (including elements such as urgency, decisiveness, initiative, etc.); personal orientation (including things such as compassion, assertiveness, politeness, customer focus, etc.); dependability (involving aspects such as personal responsibility, trustworthiness, loyalty, professionalism, etc.); open-mindedness (encompassing elements such as tolerance, adaptability, creative thinking, etc.); emotional control, which included both resilience and stress management; communication (including aspects such as listening, oral communication, public presentation, etc.); developing self and others (including tasks such as performance assessment, self-development, providing developmental feedback, etc.); and occupational acumen and concerns (involving aspects such as technical proficiency, being concerned with quality and quantity, financial concern, etc.). <sup>12</sup> As you can see from this list of competencies, "what" a manager does is quite broad and varied.

# interpersonal roles

Involving people (subordinates and persons outside the organization) and other duties that are ceremonial and symbolic in nature

# informational roles

Involving collecting, receiving, and disseminating information

### decisional roles

Entailing making decisions or choices

# conceptual skills

A manager's ability to analyze and diagnose complex situations

# interpersonal skills

A manager's ability to work with, understand, mentor, and motivate others, both individually and in groups

# technical skills

Job-specific knowledge and techniques needed to perform work tasks

# political skills

A manager's ability to build a power base and establish the right connections

Finally, a recent study that examined the work of some 8,600 managers found that what these managers did could be put into three categories of competencies: conceptual, interpersonal, and technical/administrative. <sup>13</sup> As you can see, these research findings agree with the list of management skills identified by Katz and others.

# Is the Manager's Job Universal?

So far, we've discussed the manager's job as if it were a generic activity. That is, a manager is a manager regardless of where he or she manages. If management is truly a generic discipline, then what a manager does should be essentially the same whether he or she is a top-level executive or a first-line supervisor, in a business firm or a government agency; in a large corporation or a small business; or located in Paris, Texas, or Paris, France. Is that the case? Let's take a closer look at the generic issue.

**LEVEL IN THE ORGANIZATION.** Although a supervisor in a claims department at Aetna may not do exactly the same things that the president of Aetna does, it doesn't mean that their jobs are inherently different. The differences are of degree and emphasis but not of activity.

As managers move up in the organization, they do more planning and less direct overseeing of others. (See Exhibit 1–6.) All managers, regardless of level, make decisions. They do planning, organizing, leading, and controlling activities, but the amount of time they give to each activity is not necessarily constant. In addition, the content of the managerial activities changes with the manager's level. For example, as we'll demonstrate in Chapter 6, top managers are concerned with designing the overall organization's structure, whereas lower-level managers focus on designing the jobs of individuals and work groups.

PROFIT VERSUS NOT-FOR-PROFIT. Does a manager who works for the U.S. Postal Service, the Memorial Sloan-Kettering Cancer Center, or the Red Cross do the same things that a manager at Amazon or Symantec does? That is, is the manager's job the same in both profit and not-for-profit organizations? The answer, for the most part, is yes. All managers make decisions, set goals, create workable organization structures, hire and motivate employees, secure legitimacy for their organization's existence, and

# IS IT STILL MANAGING WHEN WHAT YOU'RE MANAGING **ARE ROBOTS?**

he office of tomorrow is likely to include workers that are faster, smarter, more responsible-and happen to be robots." <sup>14</sup> Are you at all surprised by this statement? Although robots have been used in factory and industrial settings for a long time, it's becoming more common to find robots in the office and it's bringing about new ways of looking at how work is done and at what and how managers manage. So what would the manager's job be like managing robots? And even more intriguing is how these "workers" might affect how human coworkers interact with them.

As machines have become smarter and smarterdid any of you watch Watson take on the human Jeopardy challengers-researchers have been looking at humanmachine interaction and "how people relate to the increasingly smart devices that surround them." One conclusion is that people find it easy to bond with a robot,

even one that doesn't look or sound anything like a real person. "All a robot had to do was move around in a purposeful way, and people thought of it, in some ways, as a coworker." People will give their robots names and even can describe the robot's moods and tendencies. As telepresence robots become more common, the humanness becomes even more evident. For example, when Erwin Deininger, the electrical engineer at Reimers Electra Steam, a small company in Clear Brook, Virginia, moved to the Dominican Republic when his wife's job transferred her there, he was able to still be "present" at the company via his VGo robot. Now Deininger "wheels easily from desk to desk and around the shop floor, answering questions and inspecting designs." The company's president was "pleasantly surprised at how useful the robot has proven" and even more surprised at how he acts around it. "He finds it hard to not think of the robot as, in a very

real sense, Deininger himself. After a while, he says, it's

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

- · Look back at our definitions of manager and management. Do they fit the organizational office setting described here? Explain.
- · Do some research on telepresence and telepresence robots. How might this technology change how 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? Discuss.
- job as manager might be different than what the chapter describes? (Think in terms of functions, roles, and skills/competencies.)