

Managing Today

1



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



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

ASSUME

for a moment that it's your first day in an introductory physics class. Your instructor asks you to take out a piece of paper and "describe Newton's second law of motion." How would you react? We think that you, like most students, would respond with something like "How would I know? That's why I'm taking this course!"

Now let's change the situation to the first day in an introductory management class. Your instructor asks you to write an answer to the question: "What traits does one need to be an effective leader?" When we've done this on the first day, we find that students always have an answer. Everyone seems to think they know what makes a good leader.

This example illustrates a popular myth about the study of management: It's just

common sense. Well, we can assure you... it's not! When it comes to managing, much of what passes for common sense is just plain misguided or even wrong. You might be surprised to know that the *academic* study of management is filled with insights, based on extensive research, which often run counter to what seems to be common sense. That's why we decided to tackle head-on this common-sense perception by opening each chapter with a particular "management myth" and then "debunking" this myth by explaining how it *is* just a common-sense myth.

Take a minute to re-look at this chapter's "management myth" and "management myth debunked." This "debunked" myth often surprises students majoring in subjects like accounting, finance, statistics, information technology, or advertising. Since they don't

Learning Outcomes

1-1 Tell who managers are and where they work. p. 29

1-2 Define *management*. p. 32

1-3 Describe what managers do. p. 33

1-4 Explain why it's important to study management. p. 38

1-5 Describe the factors that are reshaping and redefining management. p. 39

1-6 Describe the key employability skills gained from studying management that are applicable to your future career, regardless of your major. p. 42

expect to be managers, they see spending a semester studying management as a waste of time and irrelevant to their career goals. Later in this chapter, we'll explain why the study of management is valuable to *every* student, no matter what you're majoring in or whether you are a manager or aspire to be a manager. •

Although we'd like to think that all managers are good at what they do, you may have discovered through jobs you've had that managers can be good at what they do or maybe not so good, or even good one day and not so good the next! One thing you need to understand is that all managers—good or not so good—have important jobs to do. And this book is about the work managers 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, including how you can develop important employability skills. Finally, we'll wrap up the chapter by looking at some key factors reshaping and redefining organizations *and* the way managers manage.

Who Are Managers and Where Do They Work?

1-1 Tell who managers are and where they work.

There's no prototype or standard criteria as to who can be a manager. 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 entrepreneurial businesses, large corporations, government agencies, hospitals, museums, schools, and

not-for-profit enterprises. Some hold top-level management jobs while others are supervisors or team leaders. However, all managers share one common element: They work in an organizational setting. An **organization** is a deliberate collection of people brought together to accomplish some specific purpose. For instance, your college or university is an organization, as are the United Way, your neighborhood convenience store, the New Orleans Saints football team, fraternities and sororities, the Cleveland Clinic, and global companies such as Alibaba Group, Lego, and Starbucks. These and all organizations share three common characteristics. (See Exhibit 1-1.)

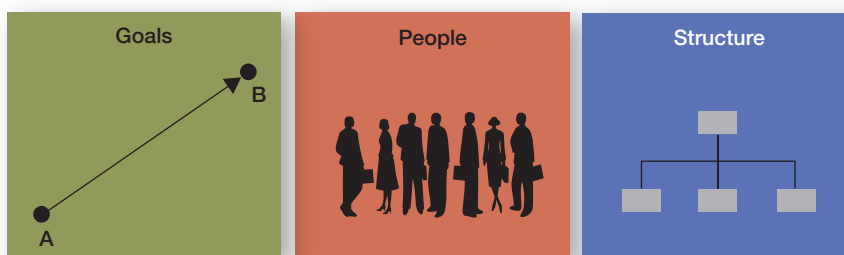
What Three Characteristics Do All Organizations Share?

The *first* characteristic of an organization is that it has a *distinct purpose*, which is typically expressed as a goal or set of goals. For example, Mark Zuckerberg, CEO of Facebook, facing increased public scrutiny over things his company was doing and not doing in relation to protecting its community of users and the global community at large, stated that his company's goal was to fix those important issues and to get back to its original purpose—providing meaningful interactions between family and friends.¹ The *second*

organization

A deliberate collection of people brought together to accomplish some specific purpose

Exhibit 1-1 Three Characteristics of Organizations



nonmanagerial employees

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

managers

Individuals in an organization who direct and oversee 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

first-line managers

Supervisors responsible for directing the day-to-day activities of nonmanagerial employees and/or team leaders

characteristic is that *people* in an organization work to achieve those goals. How? By making decisions and engaging in work activities to make the desired goal(s) a reality. For instance, at Facebook, many employees work to create the programming and algorithms that are crucial to the company's business. Others provide supporting services by monitoring content or addressing user problems. Finally, the *third* characteristic is that an organization is *structured* in some way that defines and limits the behavior of its members. Facebook, like most large organizations, has a structure with different businesses, departments, and functional areas. Within that structure, rules, regulations, and policies might guide what people can or cannot do; some members will supervise other members; work teams might be formed or disbanded; or job descriptions might be created or changed so organizational members know what they're supposed to do. That structure is the setting within which managers manage.

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, take your order at the Starbucks drive-through, or process your class registration forms are all nonmanagerial employees. These nonmanagerial employees may be called 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 so organizational goals can be accomplished. A manager's job isn't about *personal* achievement—it's about helping *others* do their work. That may mean coordinating the work of a departmental group, leading an entire organization, or supervising a single person. It could involve coordinating the work activities of a team with people from different departments or even people outside the organization, such as contract employees or individuals who work for the organization's suppliers. 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, an insurance claims supervisor might process claims in addition to coordinating the work activities of other claims employees.

What Titles Do Managers Have?

Although they can have a variety of titles, identifying exactly who the managers are in an organization shouldn't be difficult. In a broad sense, managers can be classified as top, middle, first-line, or team leaders. (See Exhibit 1–2.) **Top managers** are those at or near the top of an organization. They're usually responsible for making decisions about the direction of the organization and defining policies and values that affect all organizational members. Top managers typically have titles such as vice president, president, chancellor, managing director, chief operating officer (COO), chief executive officer (CEO), or chairperson of the board. **Middle managers** are those managers found between the lowest and top levels of the organization. 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 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 and/or team leaders. First-line managers are often called supervisors,

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Exhibit 1–2 Management Levels

**team leaders**

Individuals who are responsible for leading and facilitating the activities of a work team

scientific management

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

shift managers, office managers, department managers, or unit coordinators. We want to point out a special type of manager that has become more common as organizations use employee work teams. **Team leaders** are individuals who are responsible for leading and facilitating the activities of a work team.

◀◀ Classic Concepts in Today's Workplace ▶▶

The terms *management* and *manager* are actually centuries old.² One source says that the word *manager* originated in 1588 to describe one who manages. The specific use of the word as a person who oversees a business or public organization is believed to have originated in the early part of the 18th century. However, used in the way we're defining it in terms of overseeing and directing organizational members, *management* and *manager* are more appropriate to the early-twentieth-century time period. The word *management* was first popularized by Frederick Winslow Taylor. Taylor is a “biggie” in management history, so let's look at his contributions to how management is practiced today.

- In 1911, Taylor's book, *Principles of Scientific Management*, took the business world by storm—his ideas spread in the United States and to other countries and inspired others.
- Why? His theory of **scientific management**: the use of scientific methods to define the “one best way” for a job to be done.
- Taylor, a mechanical engineer in Pennsylvania steel companies, observed workers and was continually shocked by how inefficient they were:
 - Employees used vastly different techniques to do the same job and often “took it easy” on the job.
 - Few, if any, 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.

- The result was worker output only about *one-third* of what was possible.
- Taylor's remedy? Apply scientific management to these manual shop-floor jobs.
- The result was phenomenal increases in worker output and efficiency—in the range of *200 percent or more!*
- Because of his work, Taylor is known as the “father” of scientific management.

Want to try your hand at using scientific management principles to be more efficient?

Choose a task you do regularly such as laundry, grocery shopping, studying for exams, cooking dinner, etc. Analyze that task by writing down the steps involved in completing it. What activities could be combined or eliminated? Find

Management: Finding one best way to do a job?

the “one best way” to do this task. See if you can become more efficient—keeping in mind that changing habits isn't easy to do.

Discussion Questions:

- 1 Are Taylor's views still relevant to how management is practiced today? Why or why not?
- 2 You lead a team of shelf stockers at a local health foods store. You've been asked by your store manager to find a way to make your work team more efficient. Using Taylor's scientific management principles, write a list of possible ideas to share with your manager.

What Is Management?

1-2 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—functions that we'll discuss in more detail in the next section.

Talk about an interesting way to be efficient!

ROWE—or results-only work environment—was a radical experiment tried at Best Buy headquarters. In this flexible work program, employees were judged only on tasks completed or results, not on how many hours they spent at work. Employees couldn't say whether they worked fewer hours because they stopped counting, BUT **employee productivity jumped 41 percent!**³



Do you order stuff from Amazon? A lot of people obviously do because Amazon ships out millions of packages every day. It's currently looking at innovative ways to send more items with less cardboard.⁴ Why? To be more efficient and effective and to satisfy younger consumers who are passionate about minimizing environmental impact. 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 everywhere, much like those at Amazon, want to minimize resource usage and costs.

It's not enough, however, just to be efficient. Managers are also concerned with completing important work 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.)

management

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

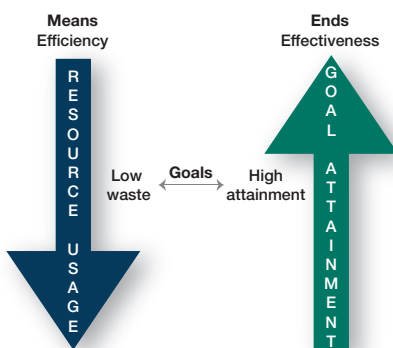
efficiency

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

effectiveness

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

Exhibit 1-3 Efficiency and Effectiveness



A quick overview of managers and **efficiency & effectiveness**

- The concepts are different, but related, because both are focused on how organizational work gets done.
- It's easier to be effective if you ignore efficiency.
- Poor managers often allow
 - both inefficiency and ineffectiveness OR effectiveness achieved without regard for efficiency.
- Good managers are concerned with
 - both attaining goals (effectiveness) and doing so as efficiently as possible.

3 Ways to Look at What Managers Do

1-3 Describe what managers do.

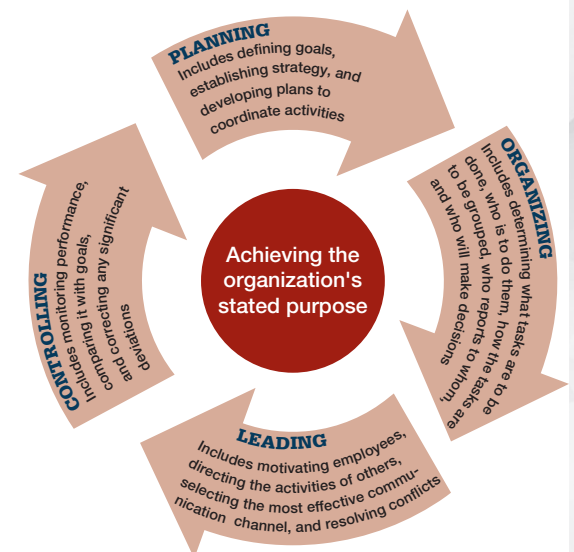
ORGANIZATIONS ARE NOT ALIKE, and neither are managers' jobs. But their jobs do share some common elements, as you'll see in these three approaches to describing what managers do.

1

4 Functions Approach

- Says that managers perform certain activities, tasks, or functions as they direct and oversee others' work.
- WHAT Fayol said managers do: First person to identify five common activities managers engage in: plan, organize, command, coordinate, and control (POCCC).⁵
- Today, the management functions have been condensed to four: **planning, organizing, leading, and controlling**.
- See Exhibit 1-4 for what managers do when they P-O-L-C.

Exhibit 1-4 Four Management Functions

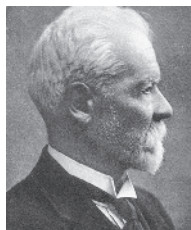


THEN **P O C C C**
plan organize command coordinate control

NOW **P O L C**
planning organizing leading controlling

Jacques Boyer/Roger-Viollet/The Image Works

Jacques Boyer/Roger-Viollet/The Image Works



Who: Henri Fayol—an engineer/executive at a large French mining company

When: Early 1900s

How: Personal experience and observations

planning

Defining goals, establishing strategy, and developing plans to coordinate activities

organizing

Determining what needs to be done, how it will be done, and who is to do it

leading

Directing and coordinating the work activities of an organization's people

controlling

Monitoring activities to ensure that they are accomplished as planned

Management Roles Approach

- Says that managers engage in certain “roles” as they manage others.
- WHAT Mintzberg said managers do: He identified and defined **managerial roles**—specific categories of managerial actions or behaviors expected of a manager. (Not sure what a “role” is? Think of the different roles you play—such as student, employee, volunteer, bowling team member, boyfriend/girlfriend, sibling, and so forth—and the different things you’re expected to do in those roles.)
- Exhibit 1–5 shows Mintzberg’s 10 separate, but interrelated roles.

Exhibit 1–5 Mintzberg’s Managerial Roles



Christine Muschi/Toronto Star/Getty Images



Who: Henry Mintzberg
When: late 1960s
How: Empirical study of five chief executives at work.⁶

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

Which Approach—Functions or Roles—Is Better at Defining What Managers Do?

- Both approaches appear to do a good job of describing what managers do.
- However, the **functions** approach stands out! It continues to be popular due to its clarity and simplicity.⁷ But, don’t disregard the roles approach; it offers another way to understand and appreciate what managers do.

managerial roles

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

interpersonal roles

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

decisional roles

Entailing making decisions or choices

informational roles

Involving collecting, receiving, and disseminating information

3

Skills and Competencies

- Says that managers need certain skills and competencies as they manage others.
- WHAT these researchers say managers do: Identified four general management skills including:⁸
 - **CONCEPTUAL SKILLS:** Analyzing and diagnosing complex situations to see how things fit together and to facilitate making good decisions.
 - **INTERPERSONAL SKILLS:** Working well with other people both individually and in groups by communicating, motivating, mentoring, delegating, etc.
 - **TECHNICAL SKILLS:** Job-specific knowledge, expertise, and techniques needed to perform work tasks. (For *top-level managers*—knowledge of the industry and a general understanding of the organization’s processes and products; For *middle- and lower-level managers*—specialized knowledge required in the areas where they work—finance, human resources, marketing, computer systems, manufacturing, information technology.)
 - **POLITICAL SKILLS:** Building a power base and establishing the right connections to get needed resources for their groups. *Want to learn more?* Assess and develop your political skill by completing the PIA and the Management Skill Builder found at the end of the chapter on p. 47.
- Other important managerial competencies:⁹ decision making, team building, decisiveness, assertiveness, politeness, personal responsibility, trustworthiness, loyalty, professionalism, tolerance, adaptability, creative thinking, resilience, listening, self-development.

Source: Simon/Fotolia



Analyze and diagnose



Working well with others



Possessing expert job knowledge



Political adeptness

Who: Robert Katz and others

When: 1970s to present

How: Studies by various researchers

Is the Manager’s Job Universal?

So far, we’ve discussed the manager’s job as if it were a generic activity. If management is truly a generic discipline, then what a manager does should be 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.

Is a manager **a manager no matter where**
or what he or she manages?

LEVEL IN THE ORGANIZATION. Although a supervisor of the Genius Bar in an Apple Store may not do exactly the same things that Apple’s CEO Tim Cook 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 an organization, they do more planning and less direct overseeing of others. (See Exhibit 1–6.) All managers, regardless of level, make decisions. They plan, organize, lead, and control, but the amount of time they spend on each activity is not

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

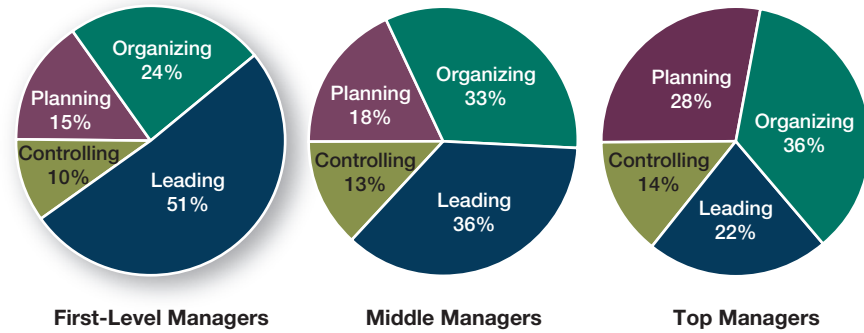
technical skills

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

Exhibit 1–6 Management Activities by Organizational Level



Source: Based on T. A. Mahoney, T. H. Jerdee, and S. J. Carroll, "The Job(s) of Management," *Industrial Relations* 4, no. 2 (1965), p. 103.



Ted S. Warren/AP Images

Founder and owner of ReelSonar, Alex Lebedev and his employees design and develop digital fishing equipment. As a small business owner, Alex plans, organizes, leads, and controls. He performs basically the same functions as managers in large firms do although the activities differ in degree and emphasis.

necessarily constant. In addition, "what" they plan, organize, lead, and control changes with the manager's level. For example, as we'll demonstrate in Chapter 7, 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.

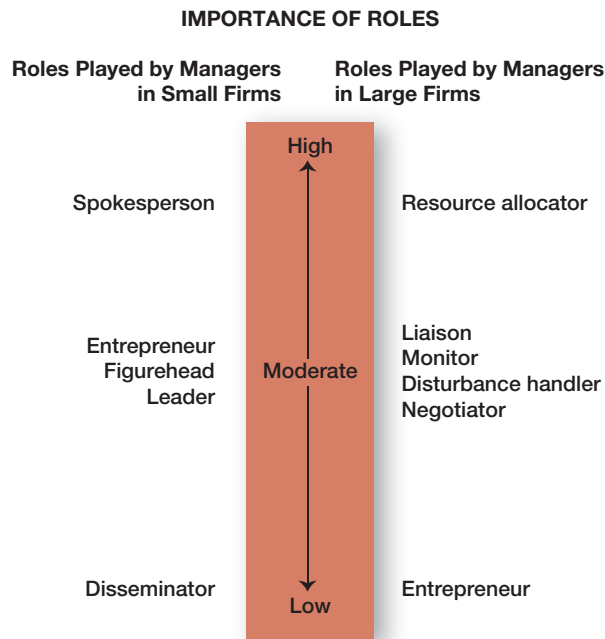
PROFIT VERSUS NOT-FOR-PROFIT. Does a manager who works for the U.S. Postal Service, the Memorial Sloan-Kettering Cancer Center, or the Convoy of Hope do the same things that a manager at Amazon or Symantec does? That is, is the manager's job the same in both profit and not-for-profit organizations? The 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 develop internal political support in order to implement programs. Of course, the most important difference between the two is how performance is measured. Profit—the "bottom line"—is an unambiguous measure of a business organization's effectiveness. Not-for-profit organizations don't have such a universal measure, which makes performance measurement more difficult. But don't think this means that managers in those organizations can ignore finances. Even not-for-profit organizations need to make money to continue operating. However, in not-for-profit organizations, "making a profit" for the "owners" is not the primary focus.

SIZE OF ORGANIZATION. Would you expect the job of a manager in a local FedEx store that employs 12 people to be different from that of a manager who runs the FedEx World HUB in Memphis with over 12,000 employees? This question is best answered by looking at the jobs of managers in small businesses and comparing them with our previous discussion of managerial roles. First, however, let's define a small business.

No commonly agreed-upon definition of a small business is available because different criteria are used to define *small*. For example, an organization can be classified as a small business using such criteria as number of employees, annual sales, or total assets. For our purposes, we'll describe a **small business** as an independent business having fewer than 500 employees that doesn't necessarily engage in any new or innovative practices and has relatively little impact on its industry.¹⁰ So, is the job of managing a small business different from that of managing a large one? Yes, some differences appear to exist. As Exhibit 1–7 shows, the small business manager's most important role is that of spokesperson. He or she spends a great deal of time performing outwardly directed actions such as meeting with customers,

small business

An independent business having fewer than 500 employees that doesn't necessarily engage in any new or innovative practices and has relatively little impact on its industry

Exhibit 1–7 Managerial Roles in Small and Large Businesses

Source: Based on J. G. P. Paolillo, "The Manager's Self-Assessments of Managerial Roles: Small vs. Large Firms," *American Journal of Small Business* (January–March 1984), pp. 61–62.

arranging financing with bankers, searching for new opportunities, and stimulating change. In contrast, the most important concerns of a manager in a large organization are directed internally—deciding which organizational units get what available resources and how much of them. Accordingly, the entrepreneurial role—looking for business opportunities and planning activities for performance improvement—appears to be least important to managers in large firms, especially among first-level and middle managers.

Compared with a manager in a large organization, a small business manager is more likely to be a generalist. His or her job will combine the activities of a large corporation's chief executive with many of the day-to-day activities undertaken by a first-line supervisor. Moreover, the structure and formality that characterize a manager's job in a large organization tend to give way to informality in small firms. Planning is less likely to be a carefully orchestrated ritual. The organization's design will be less complex and structured, and control in the small business will rely more on direct observation than on sophisticated, computerized monitoring systems. Again, as with organizational level, we see differences in degree and emphasis but not in the activities that managers do. Managers in both small and large organizations perform essentially the same activities, but how they go about those activities and the proportion of time they spend on each are different. (You can find more information on managing small, entrepreneurial organizations in Entrepreneurship Module.)

MANAGEMENT CONCEPTS AND NATIONAL BORDERS. The last generic issue concerns whether management concepts are transferable across national borders. If managerial concepts were completely generic, they would also apply universally in any country in the world, regardless of economic, social, political, or cultural differences. Studies that have compared managerial practices among countries have not generally supported the universality of management concepts. In Chapter 3, we'll examine some specific differences between countries and describe their effect on managing. At this point, it's important for you to understand that most of the concepts discussed in the rest of the book primarily apply to the United States, Canada, Great Britain, Australia, and other English-speaking countries. Managers likely will have to modify these concepts if they want to apply them in India, China, Chile, or other countries whose economic, political, social, or cultural environments differ from that of the so-called free-market democracies.

Why Study Management?

1-4 Explain why it's important to study management.

Good managers are important because:

- Organizations need their skills and abilities, especially in today's uncertain, complex, and chaotic environment.
- They're critical to getting things done.
- They play a crucial role in employee satisfaction and engagement.

Making Ethical Decisions in Today's Workplace

▶ **50%** of employees have left a job to get away from a manager.¹¹

▶ **\$319–\$398 billion** is the estimated annual cost to the U.S. economy of disengaged managers. Managers' engagement with their jobs and organizations has a direct impact on whether employees are engaged with their jobs and organizations.¹²

▶ **32%** of employees rated their boss as "horrible" in a Monster.com survey.¹³

Discussion Questions:

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

Well...we're finally at the point where we're going to address the chapter-opening myth! You may still be wondering *why* you need to take a management class. Especially if you're majoring in accounting or marketing or information technology, you may not see how studying management is going to help you in your career. Let's look at some reasons you may want to understand more about management.

First, all of us have a vested interest in improving the way organizations are managed. Why? Because we interact with them every day of our lives and an understanding of management offers insights into many organizational aspects. When you renew your driver's license or get your car tags, are you frustrated that a seemingly simple task takes so long? Are you surprised when well-known businesses you thought would never fail went bankrupt? Are you shocked when you see news stories (with accompanying cellphone videos) showing unfortunate instances of employees in customer-service settings mistreating customers? Are you annoyed when you use a drive-through and get ready to enjoy your food or drink and realize something is missing or that it's not what you ordered? Such problems are mostly the result of managers doing a poor job of managing.

Organizations that are well managed—such as Apple, Starbucks, Nike, Southwest Airlines, and Alphabet—develop a loyal following and find ways to prosper even when the economy stinks. Poorly managed organizations may find themselves with a declining customer base and reduced revenues and may have to file for bankruptcy protection even in a strong economy. For instance, Gimbel's, RadioShack, W. T. Grant, Hollywood Video, Dave & Barry's, Circuit City, Eastern Airlines, and Enron were once thriving corporations. They employed tens of thousands of people and provided goods and services on a daily basis to hundreds of thousands of customers. You may not recognize some of these names because these companies no longer exist. Poor management did them in. By taking a management course, you can begin to recognize poor management and know what good managers should be doing. Maybe you'll even aspire to being a manager!

Finally, another reason for studying management is the *reality that for most of you, once you graduate from college and begin your career, you will either manage or be managed.* For those who plan to be managers, an understanding of management forms the foundation on which to build your own management skills and abilities. For those of you who don't see yourself managing, you're still likely to have to work with managers. Also, assuming that you'll have to work for a living and recognizing that you're likely to work in an organization, you're likely to have some managerial responsibilities even if

you're not a manager. Our experience tells us that you can gain a great deal of insight into the way your boss (and coworkers) behave and how organizations function by studying management. Our point is that you don't have to aspire to be a manager to gain valuable information from a course in management.

What Factors Are Reshaping and Redefining Management?

1-5 Describe the factors that are reshaping and redefining management.

Welcome to the new world of management!

Changing Workplaces + Changing Workforce

- Digitization, automation, and changing views of jobs/careers are disrupting the way we work.¹⁴
- “NextGen work”—the next generation of work, defined as part-time, freelance, contract, temporary, or independent contract work—is predicted to continue to rise. Individuals—and organizations—are looking for alternative ways to get work done.¹⁵
- Some 43 percent of U.S. employees work remotely all or some of the time.¹⁶
- Sexual harassment allegations and accusations of workplace misconduct have dominated the news and triggered much-needed calls for action.
- As mobile and social technologies continue to proliferate, more organizations are using apps and mobile-enhanced websites for managing their workforces and for other organizational work.
- Data breaches, large-scale and small, are raising new alarms about organizational information security lapses.

In today’s world, managers are dealing with changing workplaces, a changing workforce, changing technology, and global uncertainties. For example, grocery stores continue to struggle to retain their customer base and to keep costs down. At Publix Super Markets, the large grocery chain in the southeastern United States, everyone, including managers, is looking for ways to better serve customers. The company’s president, Todd Jones, who started his career bagging groceries at a Publix in New Smyrna Beach, Florida, is guiding the company through these challenges by keeping everyone’s focus—from baggers to checkers to stockers—on exceptional customer service.¹⁷ And with Amazon’s purchase of Whole Foods, the whole grocery store industry now faces an entirely different challenge.¹⁸ Or consider the management challenges faced by the *Seattle Post-Intelligencer* (P-I) when it, like many other newspapers, struggled to find a way to be successful in an industry that was losing readers and revenues at an alarming rate. Managers made the decision to go all-digital, and the P-I became an Internet-only news source. Difficult actions followed as the news staff was reduced from 165 to less than 20 people. In its new “life” as a digital news source, the organization faces other challenges—challenges for the manager who needs to plan, organize, lead, and control in this changed environment.¹⁹ Managers everywhere are likely to have to manage in changing circumstances, and the fact is that *how* managers manage is changing. Throughout the rest of this book, we’ll be discussing these changes and how they’re affecting the way managers plan, organize, lead, and control. We want to highlight four specific areas that are important to organizations and managers everywhere: customers, innovation, social media, and sustainability.

Claire Hobean, operations manager for Re-Time Pty. Ltd., models the Australian firm’s innovative Re-Timer glasses at a consumer electronics show. The medical device innovation uses bright light therapy to assist in the treatment of insomnia, jet lag, and Seasonal Affective Disorder by helping reset a person’s natural body clock.



Steve Marcus/Reuters

Why Are Customers Important to the Manager's Job?

When John Chambers was CEO of Cisco Systems, he wanted voicemails forwarded to him from dissatisfied customers because he thought it was important to hear firsthand the emotions and frustrations they were experiencing. He couldn't get that type of insight by reading an e-mail.²⁰ This manager understands the importance of customers. Chris McCarthy, president of MTV Networks also understands how important customers are. He is listening to his young audience and responding with what they want to see on MTV. Result? MTV's ratings are rising.²¹ Organizations need customers. Without them, most organizations would cease to exist. Yet, focusing on the customer has long been thought by many managers to be the responsibility of the marketers. We're discovering, however, that employee attitudes and behaviors play a big role in customer satisfaction. Think of the times you've been treated poorly (or superbly) by an employee during a service encounter and how that affected the way you felt about the situation.

Managers are recognizing that delivering consistent high-quality customer service is essential for survival and success in today's competitive environment and that employees are an important part of that equation.²² The implication is clear—they must create a customer-responsive organization where employees are friendly and courteous, accessible, knowledgeable, prompt in responding to customer needs, and willing to do what's necessary to please the customer.²³

Managing Technology in Today's Workplace

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

The workplaces of tomorrow will include workers who are faster, smarter, more responsible—and who just happen to be robots.²⁴ Surprised? 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 other work settings, and it's bringing about new ways of looking at how work is done and at what and how managers manage. So what *would* a 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 smarter, researchers have been exploring the human-machine interaction and how people interact with the smart devices that are now such an integral part of our professional and personal lives. One insight is that people find it easy to bond with a robot, even one that doesn't look or sound anything like a real person. In a workplace setting, if a robot moves around in a "purposeful way," people tend to view it, in some ways, as a coworker. People name their robots and can even describe the robot's moods and tendencies. As humanoid/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 telepresence robot. Now "robot" Deininger moves easily around the office and shop floor, allowing the "real" Deininger to do his job just as if he were there in person. The company's president, satisfied with how the robot solution has worked out, has been surprised at how he acts around it, feeling at times that he's interacting with Deininger himself. As technology continues to advance and humanoid robots get better at walking, talking, and looking like humans, they're envisioned doing jobs such as companions for the elderly, teachers of schoolchildren, and retail or office assistants.²⁵

There's no doubt that robotic 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.

Discussion Questions:

- 5 What's your response to the title of this box: *Is it still managing when what you're managing are robots?* Discuss.
- 6 If you had to manage people and robots, how do you think your job as manager might be different than what the chapter describes? (Think in terms of functions, roles, and skills/competencies.)

Why Is Innovation Important to the Manager's Job?

Success in business today demands innovation. Innovation means doing things differently, exploring new territory, and taking risks. And innovation isn't just for high-tech or other technologically sophisticated organizations; innovative efforts are needed in all types, all levels, all areas, and all sizes of organizations. You'd expect companies like Amazon, Google, Uber, and Apple to be on a list of the world's most innovative companies.²⁶ But what about the likes of International Dairy Queen?²⁷ Although, the 78-year-old restaurant chain is not on a list of "most innovative," it's experimenting with different formats and approaches to appeal to an increasingly demanding market. Even non-tech businesses need to innovate to prosper. Or how about Kickstarter, which created the crowdfunding phenomenon? Now, it's looking at ways to better encourage creativity among potential projects and startups and is also expanding its business beyond fundraising into publishing and distribution. In today's challenging environment, innovation *is* critical and managers need to understand what, when, where, how, and why innovation can be fostered and encouraged throughout an organization. In a presentation a few years ago, a manager in charge of Walmart's global business explained his recipe for success (personal and organizational): continually look for new ways to do your job better; that is, be innovative. Managers not only need to be innovative personally, but also encourage their employees to be innovative. We'll share stories of innovative practices and approaches throughout the book.

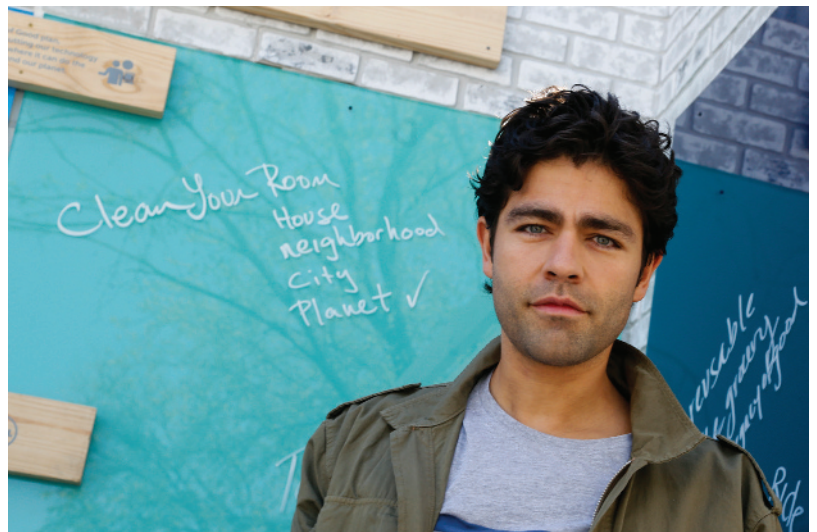
social media

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

Importance of Social Media to the Manager's Job

You probably can't imagine a time when employees did their work without e-mail or Internet access. Yet, some 20 years ago, as these communication tools were becoming more common in workplaces, managers struggled with the challenges of providing guidelines for using them. Today, it's all about **social media**, which are forms of electronic communication through which users create online communities to share ideas, information, personal messages, and other content. Social platforms such as Facebook, Twitter, LinkedIn, Tumblr, Instagram, and others are used by more than a billion people.²⁸ And employees don't just use these on their personal time, but also for work purposes. A recent survey of more than 4,000 companies showed that 72 percent used internal social media tools—such as Slack, Yammer, Chatter, or embedded applications such as Microsoft Teams—to facilitate employee communication.²⁹ That's why managers again are struggling with guidelines for employee use as they attempt to navigate the power and peril of social media. For example, at grocery chain SuperValu, managers realized that keeping 135,000-plus employees connected and engaged was imperative to continued success.³⁰ They decided to adopt an internal social media tool to foster cooperation and collaboration among its 10 distinct store brands operating in 48 states. And they're not alone. More and more businesses are turning to social media not just as a way to connect with customers, but also as a way to manage their human resources and tap into their innovation and talent. That's the potential power of social media. But the potential peril is in how it's used. When the social media platform becomes a way for boastful employees to brag about their accomplishments, for managers to publish one-way messages to employees, or for employees to argue or gripe about something or someone they don't like at work, then it's lost its usefulness. To avoid this, managers need to remember that social media is a tool that needs to be managed to be beneficial. At SuperValu, store managers and assistant managers use the social media system. Although sources say it's too early to draw any conclusions, it appears that managers who actively make use of the system are having better store sales revenues than those who don't. In the

Managing in a sustainable way is so important to Dell Technologies that the company enlisted actor and environmental activist Adrian Grenier as a Social Good Advocate to communicate its sustainability initiatives to stakeholders. Dell is embedding sustainability into every aspect of its operations, from product design to zero-waste manufacturing and green packaging and shipping.



Jack Plunkett/AP Images

sustainability


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



remainder of the book, we'll look at how social media is affecting how managers manage, especially in the areas of human resource management, communication, teams, and strategy.

Importance of Sustainability to the Manager's Job

BMW is probably not a company that comes to mind in a section describing sustainability. Yet, BMW, the iconic German manufacturer of high-performance luxury autos, is making a huge bet on green, wired cars for those who reside in cities.³¹ Its all-electric car is unlike anything that BMW—or any other car manufacturer—has made. The car's weight-saving, carbon-fiber body is layered with electronic services and smartphone apps ready to make life simpler and more efficient for the owner and better for the planet. Company executives recognized that it had to add products that would meet the challenges of a changing world. This corporate action by a well-known global company affirms that sustainability and green management have become mainstream issues for managers.

What's emerging in the twenty-first century is the concept of managing in a sustainable way, which has had the effect of widening corporate responsibility not only to managing in an efficient and effective way, but also to responding strategically to a wide range of environmental and societal challenges.³² Although “sustainability” may mean different things to different people, the World Business Council for Sustainable Development describes a scenario where all earth's inhabitants can live well with adequate resources.³³ From a business perspective, **sustainability** has been defined as a company's ability to achieve its business goals and increase long-term shareholder value by integrating economic, environmental, and social opportunities into its business strategies.³⁴ Sustainability issues are now moving up the business agenda. Managers at BMW, McDonald's, Walmart, Levi Strauss, L'Oreal, and other global businesses are discovering that running an organization in a more sustainable way will mean making informed business decisions based on (1) communicating openly with various stakeholders and understanding their requirements and (2) factoring economic, environmental, and social aspects into how they pursue their business goals. Throughout the rest of the book, we'll explore sustainability as it relates to various aspects of managing. Just look for this  for those conversations.

What Employability Skills Are Critical for Getting and Keeping a Job?

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

What about getting and keeping a job? Is that your main concern? Well, studying management can help you with that!

We assume that you're pursuing a college degree because you'd like to get a good job or a better job than the ones you've had. Wouldn't you love to increase your odds of getting that job upon graduation and then succeeding at that job, crafting a long and flourishing career path? We want that for you, too! Studying management *can help you develop and improve your employability skills*. Entry-level employees and working professionals can benefit from having solid foundations in skills such as critical thinking, communication, problem solving, collaboration, and so forth. Throughout this text, you'll learn and practice many employability skills that hiring managers identify as important to success in a variety of business settings, including small and large firms, nonprofit organizations, and public service. Such skills will also be useful if you plan to start your own business. These skills include:

- *Critical thinking* involves purposeful and goal-directed thinking used to define and solve problems and to make decisions or form judgments related to a particular situation or set of circumstances. It involves cognitive, metacognitive, and dispositional components that may be applied differently in specific contexts. Thinking critically typically involves elaborating on information or an idea; describing important details and prioritizing them based on significance; identifying details that reveal bias; embellishing an idea, description, or an answer/response; making conclusions based on evidence that explain a collection of facts, data, or ideas; summarizing information in a concise

and succinct manner; determining the order of events and defining cause and effect relationships; identifying influencing factors that cause events to occur; and so forth.

- *Communication* is defined as effective use of oral, written, and nonverbal communication skills for multiple purposes (e.g., to inform, instruct, motivate, persuade, and share ideas); effective listening; using technology to communicate; and being able to evaluate the effectiveness of communication efforts—all within diverse contexts.
- *Collaboration* is a skill in which individuals can actively work together on a task, constructing meaning and knowledge as a group through dialogue and negotiation that results in a final product reflective of their joint, interdependent actions.
- *Knowledge application and analysis* is defined as the ability to learn a concept and then apply that knowledge appropriately in another setting to achieve a higher level of understanding.
- *Social responsibility* includes skills related to both business ethics and corporate social responsibility. Business ethics includes sets of guiding principles that influence the way individuals and organizations behave within the society that they operate. Being ethical at your job involves the ability to identify potential ethical dilemma(s); the affected stakeholders; the important personal, organizational, and external factors; possible alternatives; and the ability to make an appropriate decision based on these things. Corporate social responsibility is a form of ethical behavior that requires that organizational decision makers understand, identify, and eliminate unethical economic, environmental, and social behaviors.

CRITICAL THINKING

- Using purposeful and goal-directed thinking
- Applying information differently in different contexts
- Elaborating on information or an idea
- Describing important details and prioritizing them according to significance
- Identifying details that reveal bias
- Embellishing an idea, description, or answer/response
- Making conclusions based on evidence
- Summarizing information
- Determining order of events
- Defining cause and effect relationships

COMMUNICATION

- Effectively using oral, written, and nonverbal communication for multiple purposes
- Effectively listening
- Using technology to communicate
- Critically analyzing messages
- Adapting one's communication in diverse cultural contexts
- Evaluating effectiveness of communication in diverse contexts

COLLABORATION

- Actively working together on a task or finding solutions to problem situations
- Constructing meaning and knowledge as a group
- Being able to dialogue and negotiate in a group
- Being able to work jointly and interdependently in a group
- Working with others to select, organize, and integrate information and ideas from a variety of sources and formats
- Being able to appropriately resolve conflict, making sure all voices are heard

KNOWLEDGE APPLICATION AND ANALYSIS

- Recalling previously learned material
- Describing concepts in your own words
- Demonstrating knowledge of facts and key concepts
- Learning a concept and applying that knowledge to real-life situations
- Thinking through solutions to specific problems and generalizing these processes to other situations
- Combining ideas into a new whole or proposing solutions
- Assessing the value of material for a given purpose

SOCIAL RESPONSIBILITY

- Identifying potential ethical dilemmas; affected stakeholders; important personal, organizational and external factors; and possible alternatives
- Making appropriate decisions based on the preceding factors
- Applying ethical reasoning and critical analysis to real-world scenarios

Each chapter is loaded with opportunities for you to use and work on the skills you'll need to be successful in the twenty-first century workplace. Skills that will help you get a job and pursue a fulfilling career path, wherever that might take you! The following Employability Skills Matrix links these five employability skills with special features found in each chapter. Our unique features include (1) three distinctive boxes—Classic Concepts in Today's Workplace (historical management concepts and how they're used today), Being Ethical: A 21st-Century Skill (a real-life, contemporary ethics dilemma), and Managing Technology in Today's Workplace (ways technology is changing the workplace); (2) MyLab assignments, particularly Write It, Watch It, and Try It; (3) Management Skill Builder, which highlights a specific management skill and provides an opportunity to "do" that skill; (4) Experiential Exercise, which is another learning-by-doing, hands-on assignment where you "do" something, usually within a group; and (5) Case Applications, real-life stories of people and organizations. Within these features, you'll have the opportunity to think critically and apply your knowledge as you consider special cases and concepts. You'll also have the opportunity to improve your collaboration and communication skills by learning what you might do or say in the described situations to adapt to the work world positively and effectively. And you'll be confronted with ethical dilemmas in which you'll consider the ethics of particular behaviors in the workplace. All five of these skills are critical to success whether you pursue a career in management or some other field since, as the previous section pointed out, the workplace and workforce are changing and will continue to change. These skills will help you successfully navigate those changes.

Wrapping It Up...

Managers Matter!

As you can see, being a manager is both challenging and exciting! One thing we know for sure is that *managers do matter* to organizations. The Gallup Organization, which has polled millions of employees and tens of thousands of managers, has found that *the single most important variable in employee productivity and loyalty isn't pay or benefits or workplace environment; it's the quality of the relationship between employees and their*

direct supervisors. Gallup also found that employees' relationship with their manager is the largest factor in **employee engagement**—which is when employees are connected to, satisfied with, and enthusiastic about their jobs—accounting for at least 70 percent of an employee's level of engagement.³⁵ And Gallup found that when companies increase their number of talented managers and double the rate of engaged employees, their EPS (earnings per share) is 147 percent higher than their competitors.³⁶ That's significant! This same research also showed that talented managers contribute about 48 percent higher profit to their companies than do average managers.³⁷ Finally, a different study found that when a poor manager was replaced with a great one, employee productivity increased by 12 percent.³⁸ What can we conclude from such reports? That talented managers *do* matter and will continue to matter to organizations!

employee engagement

When employees are connected to, satisfied with, and enthusiastic about their jobs

EMPLOYABILITY SKILLS MATRIX

	Critical Thinking	Communication	Collaboration	Knowledge Application and Analysis	Social Responsibility
Classic Concepts in Today's Workplace	✓	✓	✓	✓	
Making Ethical Decisions in Today's Workplace	✓	✓	✓	✓	✓
Managing Technology in Today's Workplace	✓	✓	✓	✓	✓
MyLab: Write It, Watch It, Try It	✓	✓		✓	
Management Skill Builder—Practicing the Skill		✓	✓	✓	
Experiential Exercise		✓	✓	✓	
Case Application 1	✓			✓	✓
Case Application 2	✓	✓		✓	
Case Application 3	✓		✓		