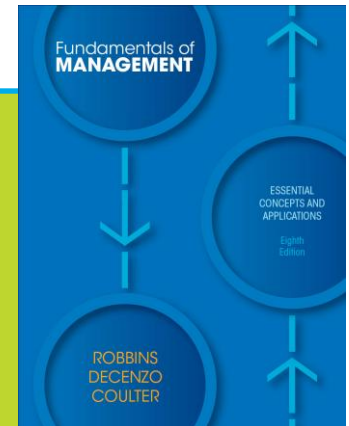


1 Chapter

Managers and Management



Learning Outcomes

- **Tell** who managers are and where they work.
- **Define** management.
- **Describe** what managers do.
- **Explain** why it's important to study management.
- **Describe** the factors that are reshaping and redefining management.

Getting Started: Discuss

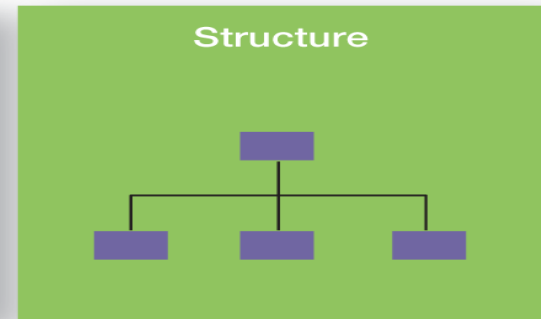
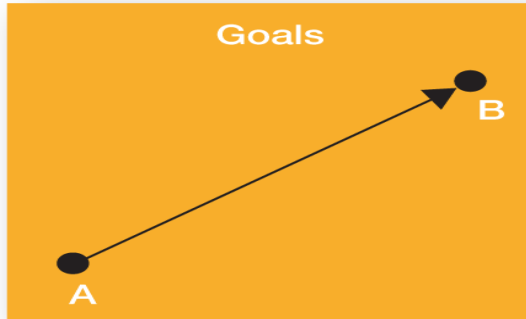
- Give some examples of good managers.
- Does it matter if the manager is young or old, male or female?
- Is management necessary in non-profit organizations and small companies like it is in for profit and large companies?



Who Are Managers?

Where Do They Work?

- Managers work in organizations, which we define as a deliberate arrangement of people brought together to accomplish a specific purpose.
- **Organization**
 - The term *organization* refers to an entity that has a distinct purpose, has people or members, and has a systematic structure.
- **Common Characteristics of Organizations**
 - **Goals**
 - **People**
 - **Structure**



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

How Are Managers Different from Nonmanagerial Employees?

- Members of an organization can be divided into two categories:
 1. **Non-managerial employees** work directly on a task and do *not* oversee the work of others.
 - Examples include a cashier in a department store or someone who processes your license at the registry of motor vehicles office.
 2. **Managers**, who direct and oversee the activities of the people in the organization.
- The distinction between non-managers and managers is that managers have employees who report directly to them.

Right or Wrong

New York Yankees shortstop Derek Jeter 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. Jeter later scored a run, but the Yankees ultimately lost the game.

Questions for students to consider:

- 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?



What Titles Do Managers Have?

- **Top managers** are those at or near the top of an organization.
 - For instance, a Chief Executive Office (or CEO) often makes decisions about the direction of the organization and establishes policies and philosophies that affect all organizational members.
- **Middle managers** fall between the lowest and highest levels of the organization.
 - They often manage other managers and sometimes non-managerial employees, and are responsible for translating the goals set by top managers into specific detailed tasks that lower-level managers oversee.
 - Titles for middle managers may include plant manager, department manager, or project leader.
- **First-line managers** are responsible for directing the day-to-day activities of non-managerial employees, and receive such titles as supervisor, shift manager, or unit coordinator.



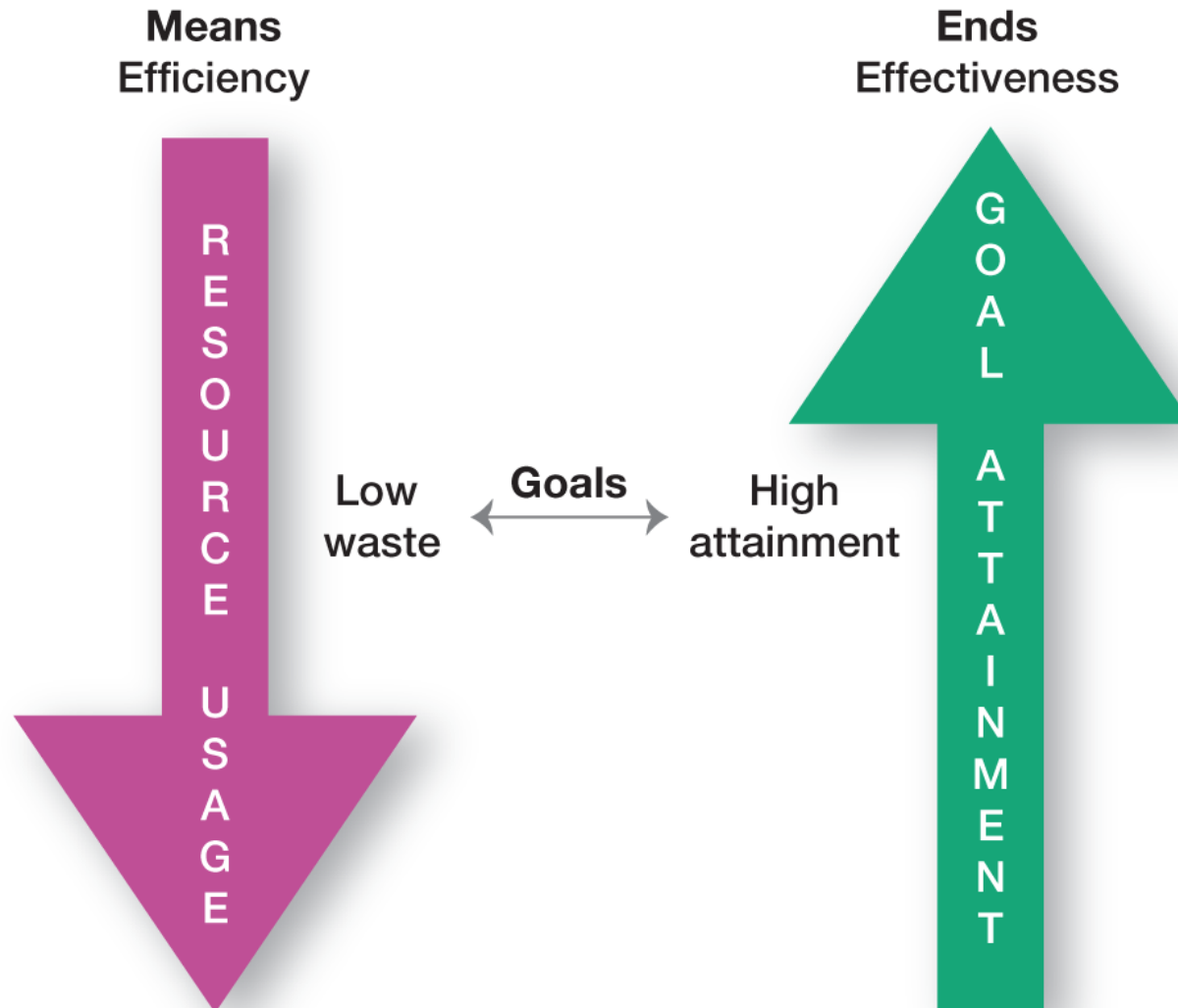
Define
management.

1.2

What Is Management?

Management is the *process* of getting things done *effectively* and *efficiently*, **with** and **through** people.

- Getting things done **effectively** means “doing the right things,” that is, tasks that help an organization reach its goals.
- Doing the job **efficiently** means “doing things right” so that the organization’s resources—its people, money, and equipment—are used to their fullest.



Efficiency and Effectiveness

- In 1911, mechanical engineer Frederick Winslow Taylor's newly published book, *Principles of Scientific Management*, described the theory of **scientific management** as the use of scientific methods to define the "one best way" for a job to be done.
- **Taylor's experience in the steel industry taught him that:**
 - Workers used vastly different techniques to do the same job, and
 - Workers were placed in jobs with little concern for matching specific workers' abilities and aptitudes with the tasks required of them.
- As illustrated here, **efficiency** is concerned with the **means** of getting things done by:
 - Doing a task correctly
 - Minimizing both resource use and cost, and
 - Getting the greatest output from the smallest amount of inputs.
- **Effectiveness** is concerned with the **ends**, that is, doing the right tasks that result in attaining organizational goals.

Efficiency and Effectiveness

- Efficiency and effectiveness are interrelated.
 - It's easier to be effective if one ignores efficiency. (high use of resources to get the desired results)
 - Good management is concerned with both attaining goals (effectiveness) and doing so as efficiently as possible.
 - Organizations can be efficient and yet not be effective.
 - High efficiency is associated more typically with high effectiveness.
- Poor management is most often due to both inefficiency and ineffectiveness or to effectiveness achieved through inefficiency.



1.3

Describe
what
managers do.

What Do Managers Do?

- Management researchers have developed **three** approaches to describe what managers do:

1. By their **functions**

1. By their **roles**, and

1. By their **skills** and **competencies**.



- In the functions approach proposed by Henri Fayol, a French industrialist, all managers perform certain activities and functions, such as **planning**, **organizing**, **commanding**, **coordinating**, and **controlling**.

Four Management Functions

- The four key management **functions** identified in contemporary management are planning, organizing, leading, and controlling.
 1. **Planning**, which includes defining goals, establishing strategy, and developing plans to coordinate activities, ensures that the work is kept in proper focus and helps organizational members keep their attention on what is most important.
 1. **Organizing** and structuring work to accomplish the organization's goals includes determining which tasks need to be done and by whom, how tasks are to be grouped, who reports to whom, and who will make decisions.
 1. **Leading** means that the manager will direct and coordinate the work activities of the people s/he supervises, motivate employees, select the most effective communication channel, and resolve conflicts among members.
 1. **Controlling**, which is the fourth and final management function, involves monitoring, comparing, and correcting work performance.

What Are Management Roles?

- In the late 1960s, Henry Mintzberg conducted a study of chief executives and discovered that managers were engaged in a number of varied, un-patterned, and short-duration activities.
- He defined management by categorizing ten **roles** that managers play, organized into the following three general categories:
 1. **Interpersonal relationships** involving subordinates and people outside the organization in the roles of figurehead, leader, and liaison;
 2. **Information transfer** that involves collecting, receiving, and disseminating information in the roles of monitor, disseminator, and spokesperson; and
 3. **Decision-making** that entails making choices in the roles of entrepreneur, disturbance handler, resource allocator, and negotiator.

EXHIBIT 1-5 Mintzberg's Managerial Roles

INTERPERSONAL ROLES

- Figurehead
- Leader
- Liaison



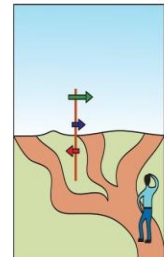
INFORMATIONAL ROLES

- Monitor
- Disseminator
- Spokesperson



DECISIONAL ROLES

- Entrepreneur
- Disturbance handler
- Resource allocator
- Negotiator



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

Mintzberg Manager's Role: Update

- Mintzberg's most current research concludes that managing is about influencing action that helps organizations and units get things done.
- Based on his observations, Mintzberg suggests that managers influence action in three ways:
 1. **Managing actions** directly through negotiating contracts, managing projects, and the like
 2. **Managing people** who take action through such activities as motivating them, building teams, and enhancing the organization's culture, and
 3. **Managing information** that propels people to take action using budgets, goals, task delegation, and so on.

Mintzberg Manager's Role: Update

- Based on these actions, Mintzberg asserts that a manager has two important **roles**: framing and scheduling.
 - **Framing** defines how a manager approaches his or her job; and
 - **Scheduling** “brings the frame to life” through the distinct tasks the manager does while managing actions directly, managing people who take action, or managing information.
- Mintzberg's newest study provides additional insights to our understanding of what managers do.

What Skills Do Managers Need?

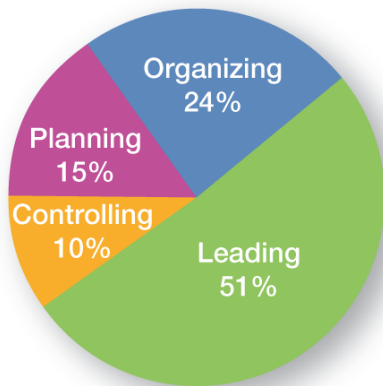
- Another way to describe what managers do is by looking at the **skills** they need for managing. Management researcher Robert L. Katz and others describe four critical **skills**:
 - **Conceptual Skills**
 - Used to analyze and diagnose complex situations
 - **Interpersonal Skills**
 - Used to work with, understand, and motivate individuals and groups
 - **Technical Skills**
 - Involve job-specific knowledge and techniques required to perform tasks
 - **Political Skills**
 - Used to build a power base and establish connections

- **More recent research has identified a set of nine competencies important for organizational success.**
 - **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 includes 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.
 - **Occupational Acumen and Concerns:** involving aspects such as technical proficiency, being concerned with quality and quantity, financial concern, etc.
- **Another recent study of some 8,600 managers found that what managers do could be grouped into three simple competencies: conceptual, interpersonal and technical/administrative.**

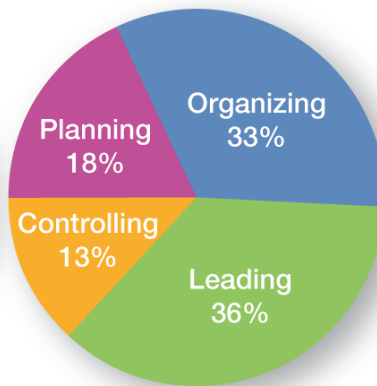
Is the Manager's Job Universal?

- Level in the Organization
- Profit vs. Nonprofit

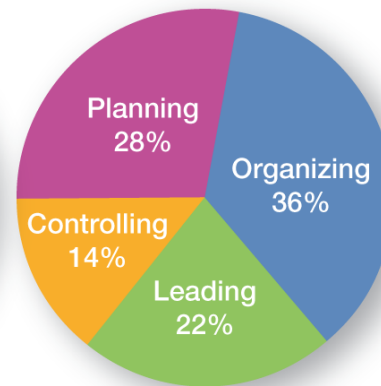
EXHIBIT 1-6 Management Activities by Organizational Level



First-Level Managers



Middle Managers



Top Managers

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.

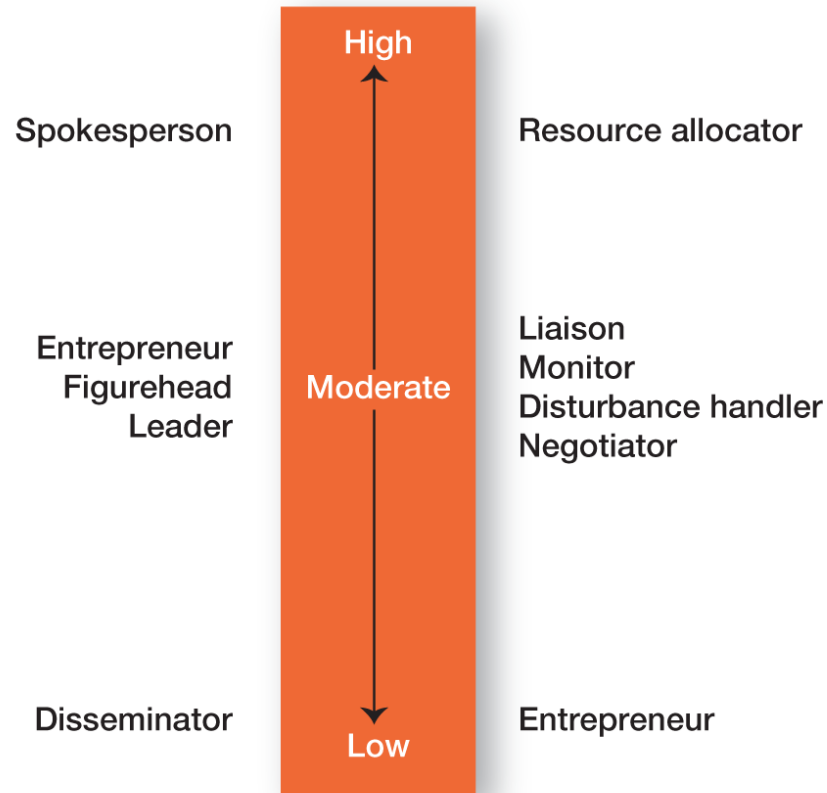
Is the Manager's Job Universal? (cont.)

- **Size of the organization**
 - Dictates the manager's main roles and time spent in each role
- **Transferability of managerial concepts**
 - Requires modification with countries other than free-market democracies

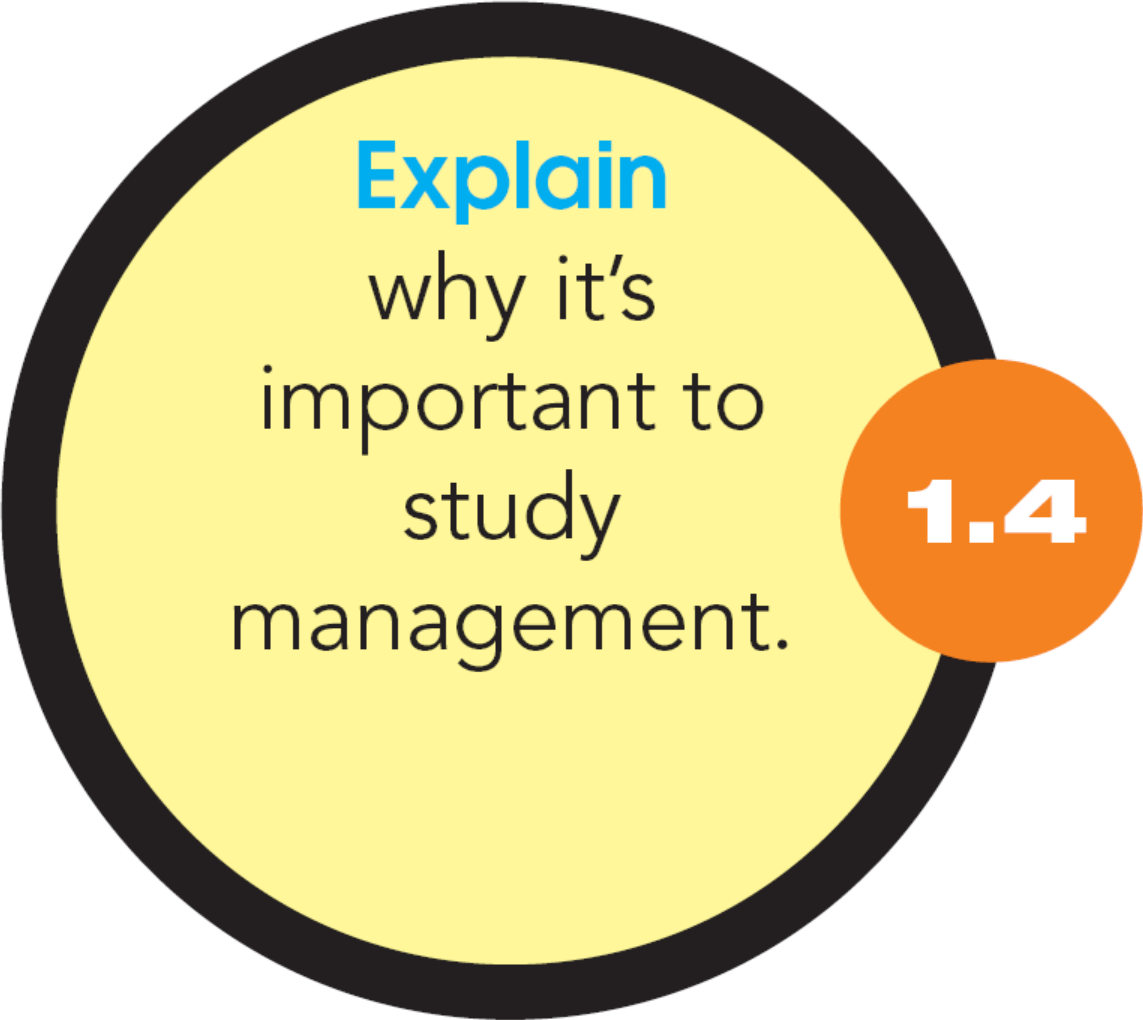


Small business managers spend much of their time in entrepreneurial activities.

IMPORTANCE OF ROLES

Roles Played by Managers
in Small FirmsRoles Played by Managers
in Large Firms

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.



Explain
why it's
important to
study
management.

1.4

Why Study Management?

- **Reasons**
- We all have a vested interest in improving the way organizations are managed.
 - We interact with them every day of our lives.
 - Examples of problems that can largely be attributed to poor management.
 - Those that are poorly managed often find themselves with a declining customer base and reduced revenues.
 - The reality that once you graduate from college and begin your career, you will either manage or be managed.
 - An understanding of the management process is foundational for building management skills.
 - You will almost certainly work in an organization, be a manager, or work for a manager.
 - You needn't aspire to be a manager in order to gain something valuable from a course in management
 - Management embodies the work and practices from individuals from a wide variety of disciplines.
- Organizations that are well managed develop a loyal following and are prosperous.

1.5

Describe

the factors that
are reshaping
and redefining
management.

What Factors Are Reshaping and Redefining Management?

Today, managers must deal with:

- Changing workplaces
- Ethical and trust issues
- Global economic uncertainties
- Changing technologies



Trader Joe's success results from outstanding customer service.

Why Are Customers Important?

- Without customers, most organizations would cease to exist.
- Employee attitudes and behaviors play a big part in customer satisfaction.
- Managers must create a customer-responsive environment where employees are friendly, knowledgeable, and sensitive to customer needs.

Why Is Innovation Important?

- “Nothing is more risky than not innovating.”
- Innovation isn’t only important for high technology companies; it is essential in all types of organizations.



History Module

A Brief History of Management's Roots

Early Management

- Management has been practiced for thousands of years.
- Organized projects were directed by people responsible for planning, organizing, leading, and controlling.



- The terms management or manager come from a number of sources. One source says that the word manager originated in 1588 to describe one who manages. The specific use of the word as “one who conducts a house of business or public institution” is said to have originated in 1705.
- Another source says that the origin (1555–1565) is from the word maneggiare, which meant “to handle or train horses,” and was a derivative of the word mano, which is from the Latin word for hand, manus. That origin arose from the way that horses were guided, controlled, or directed where to go—that is, through using one’s hand.
- The words management and manager are more appropriate to the early twentieth century. Peter Drucker, the late management writer, studied and wrote about management for more than 50 years.
- The word ‘management’ was first popularized by Frederick Winslow Taylor.” In 1911, Taylor’s book Principles of Scientific Management was published. Its contents were widely embraced by managers around the world. The book described the theory of **scientific management**: the use of scientific methods to define the “one best way” for a job to be done.
- He spent more than two decades passionately pursuing the “one best way” for such jobs to be done. Based on his groundbreaking studies of manual workers using scientific principles, Taylor became known as the “father” of scientific management. Some of these techniques like the analysis of basic work that must be performed, and time-and-motion studies are still used today.

Classical Approaches (1911–1947)

Scientific Management

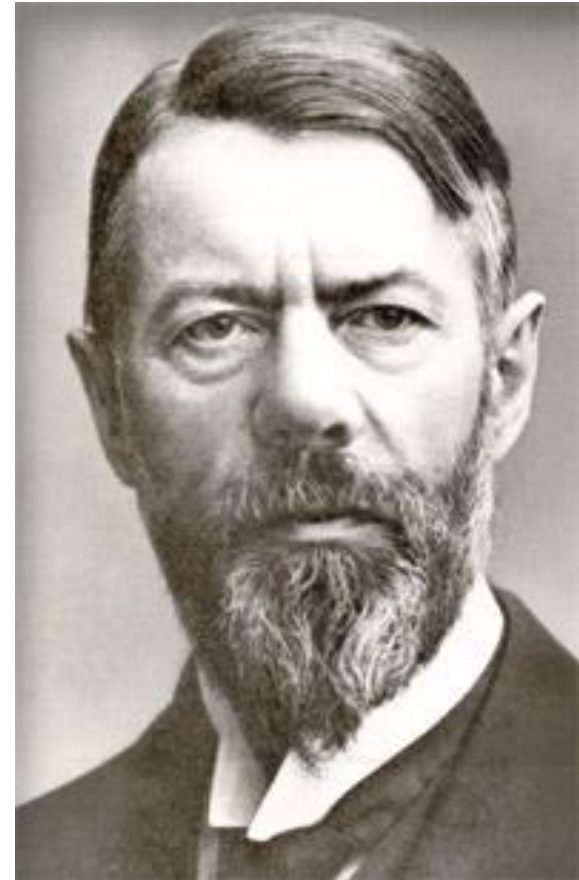
- Frederick W. Taylor described scientific management as a method of scientifically finding the “one best way to do a job.”



Other Classical Approaches

General Administrative Theory

- Focused on what constituted good management.
- Henri Fayol identified five management functions and 14 management principles.
- Max Weber described the bureaucracy as an ideal rational form of organization.



Behavioral Approaches

Early management writers included:

- Robert Owen, who was concerned about deplorable working conditions
- Hugo Munsterberg, a pioneer in the field of industrial psychology
- Mary Parker Follett, who recognized that organizations could be viewed from both individual and group behavior perspectives

The Hawthorne Studies

- Studies conducted at the Hawthorne Works of the Western Electric Company:
 - Provided new insights into individual and group behavior at work.
 - Concluded that group pressures can significantly impact individual productivity.



Quantitative Approaches

- **Quantitative Approach**

- Used quantitative techniques to improve decision-making.
- Evolved from mathematical and statistical solutions developed for military problems during World War II.
- W. Edwards Deming and Joseph M. Duran's ideas became the basis for **total quality management (TQM)**.

Contemporary Approaches

- Focused on managers' concerns outside the organization
 - Organizations are open systems that are influenced by and interact with their environments.
 - Fred Feildler's **contingency approach** states that organizations, employees, and situations require different managerial approaches.
 - Dramatic changes in information technology connect nearly everyone in an organization, and managers now supervise employees remotely.