Eleventh edition

Fundamentals of MANAGEMENT

Management

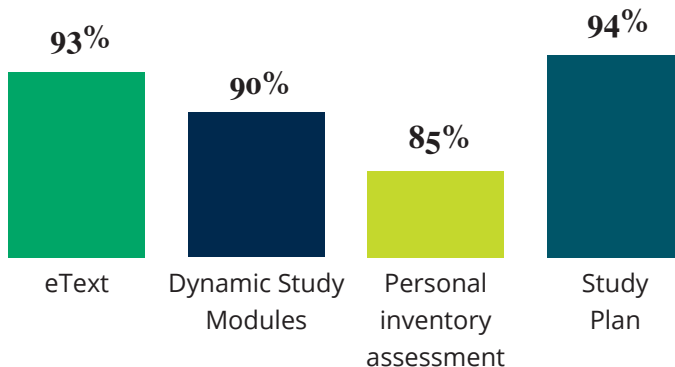DEBUNKED!

Myth

Robbins

Coulter

DeCenzo

Engaging Videos explore a variety of business topics related to the theory students are learning in class. **Exercise Quizzes** assess students' comprehension of the concepts in each video.
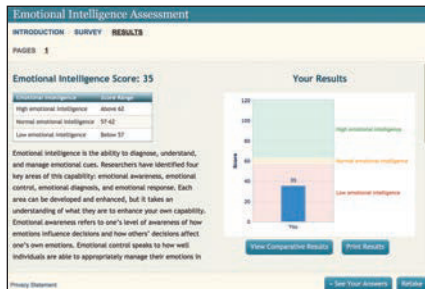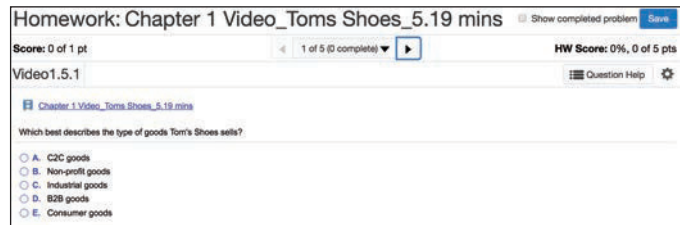
Personal Inventory Assessments is a collection of online exercises designed to promote **self-reflection** and engagement in students, enhancing their ability to connect with management concepts.

"I most liked the Personal Inventory Assessments because they gave me a deeper understanding of the chapters. I would read about personalities and then find out which category I fit into using the assessment."

— Student, Kean University

% of students who found learning aid helpful

eText — 93%
Dynamic Study Modules — 90%
Personal inventory assessment — 85%
Study Plan — 94%

Dynamic Study Modules use the latest developments in cognitive science and help students study chapter topics by adapting to their performance in real time.

Pearson eText enhances student learning with engaging and interactive lecture and example videos that bring learning to life.

The **Gradebook** offers an easy way for you and your students to see their performance in your course.

86% of students would tell their instructor to keep using MyLab Management

For additional details visit: www.pearson.com/mylab/management

To my family: Laura, Dana, Jennifer,
Jim, Mallory, Judi, David, and Lad

Steve

....

To healing and restoration and faithfulness…
And to my Thursday night girls…you know who you are! IGGATG

Mary

....

To my wife of 35 years, for her love and encouragement.
To my children, Mark, Meredith, Gabriella, and Natalie, who have given me
so much through the years. And now my two precious prides and joy—my grandsons,
William Mason Evans and Lucas Daniel Daley. How you two have changed my life!

Dave

Fundamentals of Management

ELEVENTH EDITION

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Brief Contents

Contents

Content highlighted in purple indicates that it is presented via a visual spread.

Preface

This Eleventh Edition of *Fundamentals of Management with MyLab Management* covers the essentials of management in a way that provides a sound foundation for understanding the practical issues facing managers and organizations. The focus on knowing and applying the theories of management remains, while now also highlighting opportunities to develop employability skills. *Fundamentals of Management with MyLab Management* offers an approachable, streamlined, realistic emphasis around what works for managers and what doesn't—with the ultimate goal to help students be successful.

To improve student results, we recommend pairing the text content with *MyLab Management*, which is the teaching and learning platform that empowers you to reach every student. By combining trusted author content with digital tools and a flexible learning platform, MyLab personalizes the learning experience to help your students learn and retain key course concepts while developing skills that future employers are seeking in potential employees. From *Mini Sims* to *Personal Inventory Assessments, MyLab Management* helps you teach your course your way. Learn more at **www.pearson.com/mylab/management**.

New to This Edition

- *New chapter on entrepreneurship.*
- *All new Experiential Exercises*. Each chapter's new Experiential Exercise is a hands-on activity in which students typically collaborate with other students to complete a task, such as writing a personal mission statement.
- *Employability skills highlighted throughout book.* Introduced in Chapter 1, these employability skills include critical thinking, communication, collaboration, knowledge application and analysis, and social responsibility. Each chapter is loaded with opportunities for students to use and work on the skills they'll need to be successful in the twenty-first-century workplace.
- *Material on early twentieth-century contributors: A diversity perspective.* Because management history is the result of the contributions of many diverse individuals, we added a section to the Management History Module highlighting some noteworthy contributors.
- *Module on professionalism and employability*. Expanded version of the module on Careers now focuses on professionalism and employability.
- *Diversity material added to managing human resources chapter.*
- *Managing operations material presented in a modular format.*
- *Several new examples throughout*, including Facebook's public scrutiny over what it was doing and not doing to protect its community of users, BMW's sustainability actions, digital currency use in Sweden, European "zombie" companies, Hootsuite's culture, the global cashew industry, Fox Sports World Cup advertising challenge, the organizational redesign at *The Wall Street Journal*, and many others.
- *New and updated content*, including current issues in organizational culture, anti-globalization, stumbling blocks to creativity, revision bias, crisis planning, digital tools as strategic weapons, managing disruptive innovation, remote work, multicultural brokers, inclusion, generational differences in the workplace, emotions and communication, alternate reality, toxic bosses, having civil conversations in the workplace, and workplace design.
- *Making Ethical Decisions in the Workplace.* This element has been renamed, and content is 60 percent new.

- *Case Applications.* 58 percent new.
- *New Management in the News in MyLab Management.* News articles are posted regularly, along with discussion questions that help students to understand management issues in current events.
- *New Capstone Mini Sims in MyLab Management* help students master overarching course concepts like leadership, planning, motivation, and diversity. By combining key themes from multiple chapters into unique scenarios, students are able to better understand how management concepts are related to one another. Four new Capstone Mini Sims are included with this edition.

Solving Teaching and Learning Challenges

Many students who take a principles of management course have difficulty understanding why they are taking the course in the first place. They presume that management is common sense, unambiguous, and dependent on intuition. They also need practice applying the concepts they are learning to real-world situations. Additionally, many students may not aim to be managers upon graduation, so they may struggle to see the parallels between this course and their career goals. We wrote *Fundamentals of Management* to address these challenges by developing a "management sense" grounded in theory for students while showing them how to apply concepts learned to real-world situations and enabling them to develop the necessary skills to be successful in any career.

Developing a "Management Sense"

Bust This Myth and Debunking Chapter Openers
Bust This Myth chapter openers include common myths that students may have about management. This feature debunks the common myths, helping students to better understand and develop their own management sense. Each one is accompanied by a Bust This Myth Video Exercise in *MyLab Management.*

Management Myth
Globalization is a trend that's come and gone!

Management Myth DEBUNKED!

The reality is that in 2017, more than 85 percent of the 176 countries in the International Monetary Fund *increased* their global exports.[1] While anti-globalization sentiment also has increased, **globalization is not disappearing any time soon!** It remains an important issue that organizational leaders must recognize and manage.

Homework: Chapter 1: Bust This Myth: Only future managers   Show completed problem

Score: 0 of 1 pt   1 of 3 (0 complete) ▼   ▶   HW Score: 0%, 0 of 3 pts

BTM 1.1   ☰ Question Help   ⚙

Only future managers need a course on management (0.48 mins)

Taking a course in management is appropriate ONLY for:

○ A. Those students majoring in fields other than business
○ B. Individuals who have not had management experience
○ C. Those students who are majoring in management
○ D. All students, regardless of major or management experience
○ E. Future managers

Click to select your answer and then click Check Answer.

All parts showing   Clear All   Check Answer   ◀ ▶
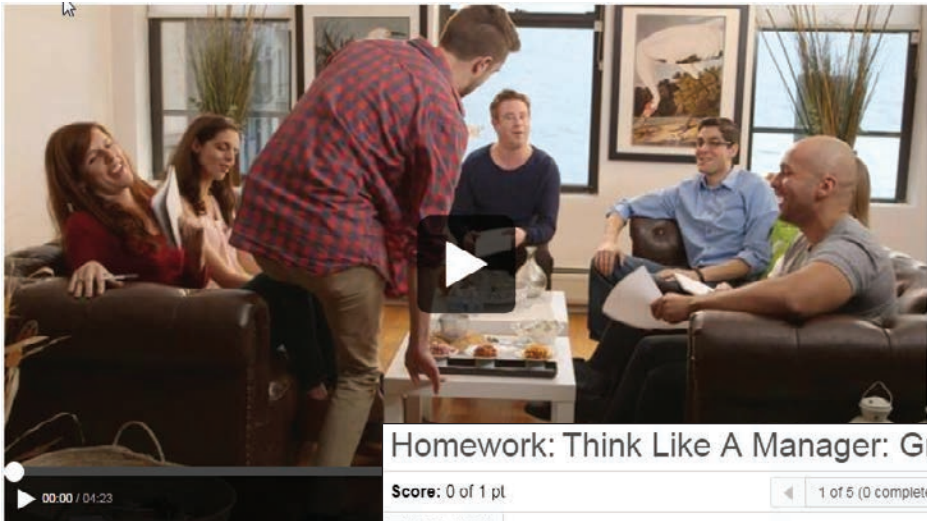
The **Think Like a Manager** video series in *MyLab Management* shows students difficult business scenarios and asks them to respond through multiple choice question assignable activities.

Apply Concepts to the Real World

The **NEW** *Chapter 7, Managing Entrepreneurial Ventures*, reflects the recent growth in entrepreneurial ventures, helping students to understand trends happening in the real world.

Murad Sezer/Reuters

Making Ethical Decisions in Today's Workplace

CVS Health Corporation announced in early 2018 that it would stop "materially" altering the beauty images used in its marketing materials that appear in its stores and on its websites and social media channels.[35] Although the change applies to the marketing materials it creates, the drugstore chain has also asked global brand partners—including Revlon, L'Oreal, and Johnson & Johnson—to join its effort. The company will use a watermark—the "CVS Beauty Mark"—on images that have not been altered. What does that mean? You're seeing real, not digitally modified, persons. The person featured in those images did not have their size, shape, skin or eye color, wrinkles, or other characteristics enhanced or changed. The company's goal is for all images in the beauty sections of CVS's stores to reflect the "transparency" commitment by 2020. Not surprisingly, there are pros and cons to this decision. And not surprisingly, there are ethical considerations associated with the decision.

Discussion Questions:

5 Striving for more realistic beauty/body image ideals: Who are potential stakeholders in this situation and what stake do they have in this decision?

6 From a generic viewpoint, how do ethical issues affect decision making? In this specific story, what potential ethical considerations by CVS to stop altering beauty images and start usi

This text **tackles tough issues** such as globalization/anti-globalization, having civil conversations, anti-bias, and ethical dilemmas—giving students an accurate depiction of the business environment today.

Mini Sims put students in professional roles and give them the opportunity to apply course concepts and develop decision-making skills through real-world business challenges. At the end of the simulation, the student will receive immediate feedback based on the answers they gave. These simulations reinforce chapter concepts and students' comprehension of those concepts.

NEW! Capstone Mini Sims help students master overarching course concepts like leadership, planning, motivation, and diversity. By combining key themes from multiple chapters into unique scenarios, students are able to better understand how management concepts are related to one another.

(Try It Mini Sim in MyLab Management for Chapter 12, Motivating and Rewarding Employees)

CASE APPLICATION #3

Goals and Controls
Topic: Role of goals in controlling, control process, efficiency and effectiveness

Tesla. Elon Musk. You've probably heard of both. Tesla was founded in 2003 by a group of engineers who wanted to prove that buyers didn't need to compromise looks and performance to drive electric—that electric cars Tesla's board of directors as chairman. He soon took an active role in the company and oversaw the design of Tesla's first car, the Roadster, which was launched in 2008. Next came the Model S, introduced in 2012 as the world's first premium all-electric sedan. The next product line expansion was the Model X in 2015, a sport utility vehicle, which achieved a 5-star safety rating from the National Highway Safety Administration. The Model 3 was introduced in 2016 and production began in 2017. From the beginning, Musk has maintained that Tesla's

could be "better, quicker, and more fun to drive than gasoline cars."[60] Musk was not part of that original group but led the company's Series A investment (the name typically given to a company's first round of venture capital financing) and joined are nothing new in the automotive industry, Tesla is fighting to make a name for itself and production mishaps like this don't help that situation at all. One industry expert says that although Tesla may be a "pioneer in technology and a trailblazer in the electric vehicle market," those strategic capabilities and core competencies don't necessarily translate to knowledge of the manufacturing process.[67] Scaling up production has its own unique set of challenges, as Tesla and Musk are discovering. In addition to the production challenges,

Three End-of-Chapter Application Cases per chapter feature real companies. These cases cover situations involving managers, management, and organizations. To help students apply management concepts to the real world, the cases ask students to assess a situation and answer questions about "how" and "why" and "what would you do?" These Case Applications cover a variety of companies, including Uber, Warby Parker, Netflix, General Electric, Tesla, and more.

(Case Application for Chapter 15, Tesla)

NEW! Experiential Exercises are all new. Each one is a hands-on activity in which students typically collaborate with other students to complete a task.

Experiential Exercise

Now, for a little fun! Organizations (work and educational) often use team-building exercises to help teams improve their performance. In your assigned group, *select two* of the characteristics of effective teams listed in Exhibit 10-6 and develop a team-building exercise for each characteristic. In developing your exercise, focus on helping a group improve that particular characteristic. Be creative! Write a group report describing your exercises, being sure to explain how your exercises will help a group improve or develop that characteristic. Be prepared to share your ideas with your class! OR, be prepared to demonstrate the team-building exercise!

Then, once you've concluded the assigned group work, you are to personally evaluate your "group" experience in working on this task. How did your group work together? What went "right?" What didn't go "right?" What could your group have done to improve its work performance and satisfaction with the group effort?

Developing Employability Skills

For students to succeed in a rapidly changing job market, they should be aware of their career options and how to go about developing a variety of skills. With *MyLab Management* and *Fundamentals of Management*, we focus on developing these skills in the following ways:

A new ***Employability Skills Matrix*** at the end of Chapter 1 provides students with a visual guide to features that support the development of skills employers are looking for in today's business graduates, helping students to see from the start of the semester the relevance of the course to their career goals.

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	✓		✓		

[Employability Skills Matrix from Chapter 1]

Boxed Features Highlight Opportunities to Develop Key Employability Skills.

◄◄◄Classic Concepts in Today's Workplace►►►

Hofstede's 5 Dimensions of National Culture

An illuminating study of the differences in cultural environments was conducted by Geert Hofstede in the 1970s and 1980s.[11] He surveyed more than 116,000 IBM employees in 40 countries about their work-related values and found that managers and employees vary on five dimensions of national culture:

- **Power distance.** The degree to which people in a country accept that power in institutions and organizations is distributed unequally. It ranges from relatively equal (low power distance) to extremely unequal (high power distance).

value relationships and show sensitivity and concern for the welfare of others.
- **Uncertainty avoidance.** This dimension assesses the degree to which people in a country prefer structured over unstructured situations and whether people are willing to take risks.
- **Long-term versus short-term orientation.** People in cultures with long-term orientations look to the future and value thrift and persistence. A short-term orientation values the past and present and emphasizes respect for tradition and fulfilling social obligations.

The following table shows a few highlig...
tural c...
countri...

Here's one way to UNDERSTAND CULTURAL DIFFERENCES!

Classic Concepts in Today's Workplace help students to understand a classic management concept. Hofstede's five dimensions of national culture, are still beneficial to managers in today's workplaces.

Making Ethical Decisions in Today's Workplace

Walt Disney Company. *Star Wars.* Two powerful forces combined. But is that force for good or for not-so-good?[30] It's not surprising that the popularity of the *Star Wars* franchise has given Walt Disney Co. exceptional power over the nation's movie theaters. The theater owners want the *Star Wars* releases, and there's only one way to get them...through Disney. With the latest release, movie theaters had to agree to "top-secret" terms that many theater owners said were the most oppressive and demanding they had ever seen. Not only were they required to give Disney about 65 percent of ticket revenue, there were also requirements about when, where, and how the movie could be shown. You'd think that because Disney needs the theaters to show their movies they might be better off viewing them as "partners" rather than subordinates. What do you think?

Discussion Questions:

5 Is there an ethical issue here? Why or why not? What stakeholders might be affected and how might they be affected? How can identifying stakeholders help a manager decide the most responsible approach?

6 Working together in your "assigned" group, discuss Disney's actions. Do you agree with those actions? Look at the pros and cons, including how the various stakeholders are affected. Prepare a list of arguments both pro and con. (To be a good problem solver and critical thinker, you have to learn how to look at issues from all angles!)

Making Ethical Decisions in Today's Workplace presents students with an ethical dilemma and encourages them to practice their skills in ethical decision making and critical decision making.

⁛⁛⁛ Managing Technology in Today's Workplace ⁛⁛⁛
MONITORING EMPLOYEES

Technological advances have made the process of managing an organization much easier.[30] And technological advancements have also provided employers a means of sophisticated employee monitoring. Although most of this monitoring is designed to enhance worker productivity, it could, and has been, a source of concern over worker privacy. These advantages bring with them difficult questions regarding what managers have the right to know about employees and how far they can go in controlling employee behavior, both on and off the job. Consider the following:

- The mayor of Colorado Springs, Colorado, reads the e-mail messages that city council members send to each other from their homes. He defended his actions by saying he was making sure that e-mails to each other were not being used to circumvent the state's "open meeting" law that requires most council business to be conducted publicly.

Just how much control a company should have over the private lives of its employees also becomes an issue. Where should an employer's rules and controls end? Does the boss have the right to dictate what you do on your free time and in your own home? Could your boss keep you from engaging in riding a motorcycle, skydiving, smoking, drinking alcohol, or eating junk food? Again, the answers may surprise you. Today many organizations, in their quest to control safety and health insurance costs, are delving into their employees' private lives.

Although controlling employees' behaviors on and off the job may appear unjust or unfair, nothing in our legal system prevents employers from engaging in these practices. Rather, the law is based on the premise that if employees don't like the rules, they have the option of quitting. Managers, too, typically defend their actions in terms of ensuring quality, productivity

Managing Technology in Today's Workplace describes how managers are using technology to monitor employee performance, looking at ways to have a more efficient and effective workplace.

Personal Inventory Assessments is a collection of online exercises designed to promote self-reflection and engagement in students, helping them better understand management concepts. These assessments help develop professionalism and awareness of oneself and others, skills necessary for future career success.
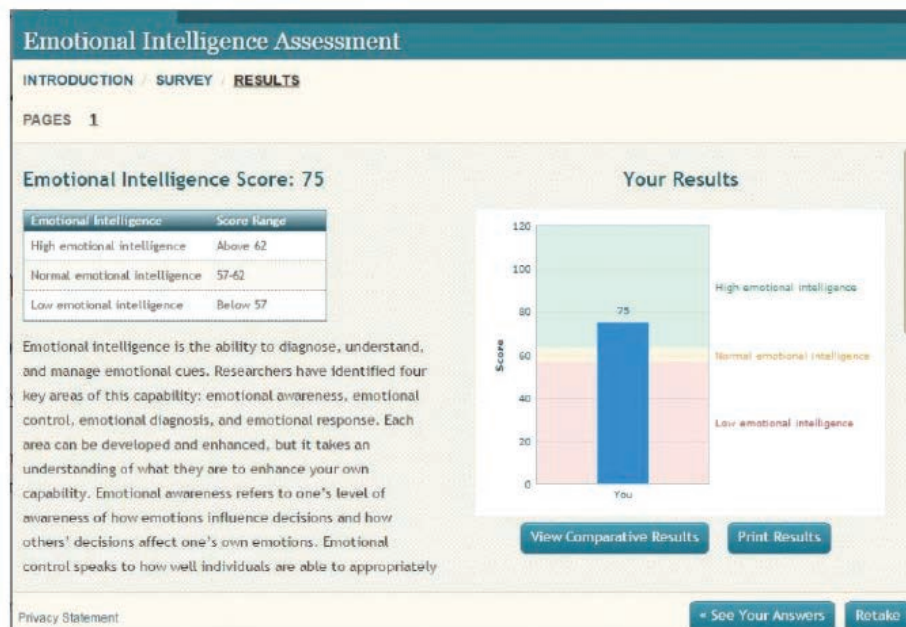
End-of-Chapter Management Skill Builder helps students move from merely knowing concepts to actually being able to use that knowledge.

The skill-building exercises included at the end of each chapter help you apply and use management concepts. We chose these skills because of their relevance to developing management competence and their linkage to one or more of the topic areas in this book.

Management Skill Builder | UNDERSTANDING CULTURE

An organization's culture is a system of shared meaning. When you understand your organization's culture, you know, for example, whether it encourages teamwork, rewards innovation, or stifles initiative. When interviewing for a job, the more accurate you are at assessing the culture, the more likely you are to find a good person–organization fit. And once inside an organization, understanding the culture allows you to know what behaviors are likely to be rewarded and which are likely to be punished.[48]

Expanded ***Module on Professionalism and Employability***

In this newly expanded module, students are provided with very practical information in terms of being professional and employable. It's good to remind students that there is a future beyond getting their degree. But they must prepare themselves for it, with solid academic learning *and* practical advice.

Chapter by Chapter Changes

In addition to all these major changes, here is a chapter-by-chapter list of the topic additions and changes in the Eleventh Edition:

Chapter 1

- Rewrote box feature questions to focus on skills
- New Making Ethical Decisions box
- Added material on employability skills, including Employability Skills Matrix
- New Experiential Exercise
- Two new cases (Walmart's management training, Intel's "chip" problem)
- Updated one case (Zappo's holacracy)
- Added "Topic" to Case Apps
- Highlighted different employability skill in each case

History Module

- Added new section on Other Early Twentieth-Century Contributors: A Diversity Perspective

Chapter 2

- Rewrote box feature questions to focus on skills
- New Being Ethical box
- Added new section on Current Issues in Organizational Culture
- New Experiential Exercise

- Two new cases (Uber, full pay transparency)
- Updated one case (movie theatre industry)
- Added "Topic" to Case Apps
- Highlighted different employability skill in each case

Chapter 3

- New opening Myth/Debunked
- Rewrote box feature questions to focus on skills
- New Being Ethical box
- Added new information about anti-globalization
- New Experiential Exercise
- Two new cases (Chinese battery companies, NCAA basketball scandal)
- Updated one case (Keurig)
- Added "Topic" to Case Apps
- Highlighted different employability skill in each case

Chapter 4

- Rewrote box feature questions to focus on skills
- Added "revision bias" to section on Common Errors
- New Being Ethical box
- Added information on stumbling blocks to creativity
- New Experiential Exercise
- One new case (Panera Bread Company)
- Updated two cases (UPS, Baseball Data Analytics)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Chapter 5

- Rewrote box feature questions to focus on skills
- Added new material on digital tools as strategic weapons
- Added new material on crisis planning
- New Managing Technology in Today's Workplace box (using social media for environmental scanning)
- New Experiential Exercise
- Updated one case (Zara)
- Two new cases (Ford Motor Company, Domino's Pizza)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Chapter 6

- Rewrote box feature questions to focus on skills
- Added new section on managing disruptive innovation
- New Being Ethical box
- New Experiential Exercise
- Updated one case (UnderArmour)
- Two new cases (Volkswagen, Swiss watch industry)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Chapter 7

New chapter: Managing Entrepreneurial Ventures

Chapter 8

- Rewrote box feature questions to focus on skills
- New Being Ethical box
- Added new material on remote work
- New Experiential Exercise
- One new case (United Air)
- Updated two cases (NASA, PfizerWorks)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Chapter 9

- New opening Myth/Debunked
- New examples
- Rewrote box feature questions to focus on skills
- New Being Ethical box
- Added additional material on sexual harassment
- Moved diversity material to this chapter
- Added discussion on inclusion
- New Experiential Exercise
- One new case (Starbucks and racial-bias training)
- Updated two cases (résumé discrepancies, attracting tech talent)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Professionalism and Employability Module

- New material on professionalism and employability
- Revised material on careers

Chapter 10

- Rewrote box feature questions to focus on skills
- Added material on multicultural brokers
- New Experiential Exercise
- Two new cases (Microsoft and W. L. Gore)
- Updated case (health-care industry)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Chapter 11

- Rewrote box feature questions to focus on skills
- Expanded discussion of generational differences in the workplace
- New Experiential Exercise
- Two new cases (Virgin Group, Adobe Systems)
- Updated case (Google)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Chapter 12

- Rewrote box feature questions to focus on skills
- New Experiential Exercise

- One new case (unlimited vacation time)
- Two updated cases (Gravity Payments, Patagonia)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Chapter 13

- Rewrote box feature questions to focus on skills
- New Being Ethical box
- New material on toxic bosses
- New Experiential Exercise
- Two new cases (General Electric, L'Oreal)
- One updated case (developing Gen Y leaders)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Chapter 14

- Rewrote box feature questions to focus on skills
- New material added to discussion of emotions and communication
- Reworked visual spread
- Added discussion of alternate reality (AR)

- New material on having civil conversations in the workplace
- New material on workplace design
- New Experiential Exercise
- One new case (anytime feedback)
- Two updated cases (athletes and Twitter and eliminating e-mail)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Chapter 15

- Rewrote box feature questions to focus on skills
- New Being Ethical box
- New Experiential Exercise
- Two new cases (Chipotle, Tesla)
- One updated case (positive feedback)
- Added "Topic" to Case Apps
- Highlighted different employability skills in each case

Managing Operations Module

- New presentation of material as a module

Instructor Teaching Resources

This program comes with the following teaching resources.

Supplements available to instructors at www.pearsonhighered.com	Features of the Supplement
Instructor's Resource Manual authored by Veronica Horton	• Chapter-by-chapter summaries • Chapter Outlines with teaching tips • Answers to Case Application discussion questions • Solutions to all questions and exercises in the book
Test Bank authored by Carol Heeter	Over 2,500 multiple-choice, true/false, and essay questions with answers and these annotations: • Learning Objective • AACSB learning standard (Written and Oral Communication; Ethical Understanding and Reasoning; Analytical Thinking; Information Technology; Interpersonal Relations and Teamwork; Diverse and Multicultural Work Environments; Reflective Thinking; Application of Knowledge) • Difficulty level (Easy, Moderate, Challenging) • Question Category (Critical Thinking, Concept, Application, Analytical, or Synthesis)
TestGen® Computerized Test Bank	TestGen allows instructors to: • Customize, save, and generate classroom tests • Edit, add, or delete questions from the Test Bank • Analyze test results • Organize a database of tests and student results
PowerPoint Presentation authored by Veronica Horton	Presents basic outlines and key points from each chapter. Slides meet accessibility standards for students with disabilities. Features include, but not limited to: • Keyboard and Screen Reader access • Alternative text for images • High-color contrast between background and foreground colors

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Thank You!

Steve, Mary, and Dave 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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1

Management Myth
Myth

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. 5

1-2 Define *management*. p. 8

1-3 Describe what managers do. p. 9

1-4 Explain why it's important to study management. p. 14

1-5 Describe the factors that are reshaping and redefining management. p. 15

1-6 Describe the key employability skills gained from studying management that are applicable to your future career, regardless of your major. p. 18

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

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

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.

> ### Management: Finding one best way to do a job?

- 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 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

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.

Exhibit 1–3 Efficiency and Effectiveness

Means
Efficiency

RESOURCE USAGE

Low waste ← Goals → High attainment

Ends
Effectiveness

GOAL ATTAINMENT
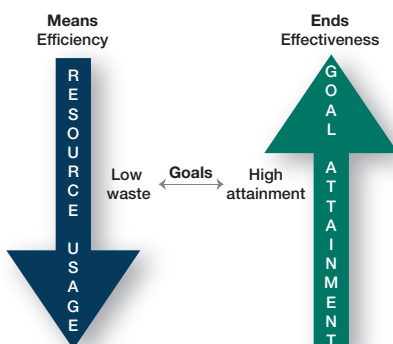
MyLab Management Write It

If your instructor has assigned this activity, go to **www.pearson.com/mylab/management** to complete the writing assignment.

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.

MyLab Management Try It

If your instructor has assigned this activity, go to **www.pearson.com/mylab/management** to complete the Mini Sim.

Exhibit 1–4 Four Management Functions

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

Achieving the organization's stated purpose

Jacques Boyer/Roger-Violiet/The Image Works

THEN
P O C C C
plan organize command coordinate control

NOW
P O L C
planning organizing leading controlling

Jacques Boyer/Roger-Violiet/The Image Works

Jacques Boyer/Roger-Violiet/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

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

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

Christinne Muschi/Toronto Star/Getty Images

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. 23.

- 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.

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

First-Level Managers
- Organizing 24%
- Planning 15%
- Controlling 10%
- Leading 51%

Middle Managers
- Organizing 33%
- Planning 18%
- Controlling 13%
- Leading 36%

Top Managers
- Planning 28%
- Organizing 36%
- Controlling 14%
- Leading 22%
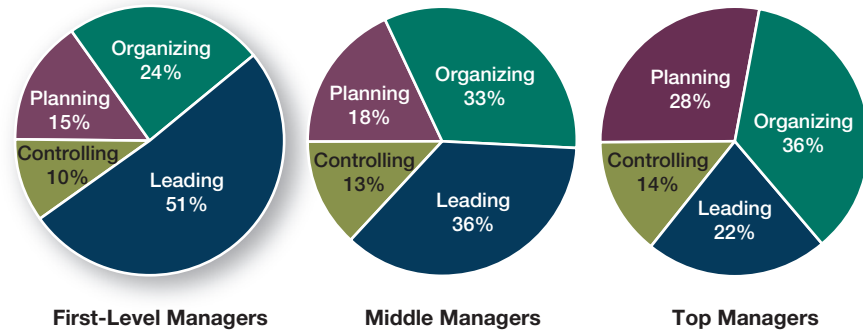
Source: Based on T. A. Mahoney, T. H. Jerdee, and S. J. Carroll, "The Job(s) of Management," *Industrial Relations* 4, no. 2 (1965), p. 103.

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.

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

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 8, 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,

Exhibit 1–7 Managerial Roles in Small and Large Businesses

IMPORTANCE OF ROLES

Roles Played by Managers in Small Firms		Roles Played by Managers in Large Firms
	High	
Spokesperson		Resource allocator
Entrepreneur Figurehead Leader	Moderate	Liaison Monitor Disturbance handler Negotiator
Disseminator	Low	Entrepreneur
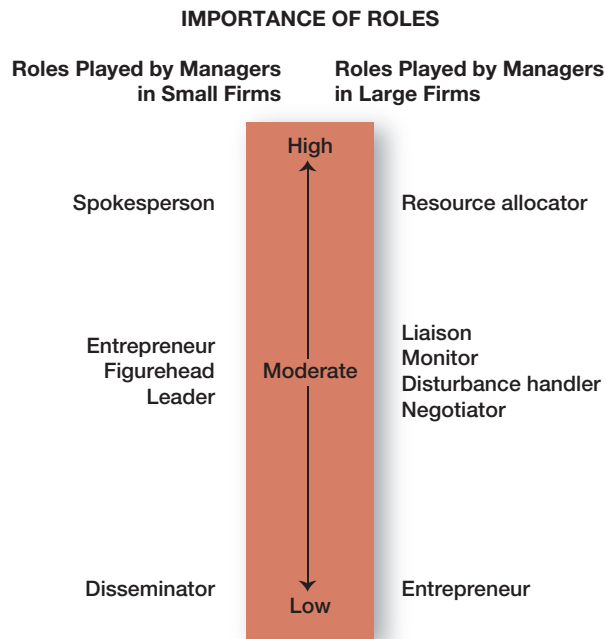
Source: Based on J. G. P. Paolillo, "The Manager's Self-Assessments of Managerial Roles: Small vs. Large Firms," *American Journal of Small Business* (January–March 1984), pp. 61–62.

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 Chapter 7.)

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]

MyLab Management Watch It

If your instructor has assigned this, go to the **www.pearson.com/mylab/management** to complete the video exercise.

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.

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.
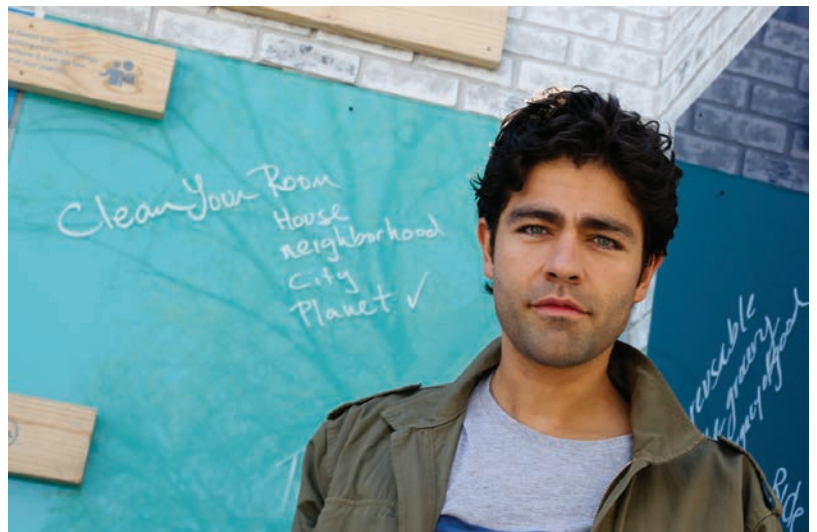
Jack Plunkett/AP Images

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	✓		✓		

CHAPTER SUMMARY BY LEARNING OUTCOME

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

Managers are individuals who work in an organization directing and overseeing the activities of other people. Managers are usually classified as top, middle, first-line, or team leader. Organizations, which are where managers work, have three characteristics: goals, people, and a deliberate structure.

1-2 Define *management*.

Management is the process of getting things done, effectively and efficiently, with and through other people. Efficiency means doing a task correctly ("doing things right") and getting the most output from the least amount of inputs. Effectiveness means "doing the right things" by doing those work tasks that help the organization reach its goals.

1-3 Describe what managers do.

What managers do can be described using three approaches: functions, roles, and skills/competencies. The functions approach says that managers perform four functions: planning, organizing, leading, and controlling. Mintzberg's roles approach says that what managers do is based on the 10 roles they use at work, which are grouped around interpersonal relationships, the transfer of information, and decision making. The skills/competencies approach looks at what managers do in terms of the skills and competencies they need and use. Four critical management skills are conceptual, interpersonal, technical, and political. Additional managerial competencies include aspects such as dependability, personal orientation, emotional control, communication, and so forth. All managers plan, organize, lead, and control, although how they do these activities and how often they do them may vary according to their level in the organization, whether the organization is profit or not-for-profit, the size of the organization, and the geographic location of the organization.

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

One reason it's important to study management is that all of us interact with organizations daily so we have a vested interest in seeing that organizations are well managed. Another reason is the reality that in your career, you will either manage or be managed. By studying management you can gain insights into the way your boss and fellow employees behave and how organizations function. Finally, taking a course in management will help you develop and improve your employability skills. These skills—which include critical thinking, communication, collaboration, knowledge application and analysis, and social responsibility—are essential to getting and keeping a job.

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

In today's world, managers are dealing with changing workplaces, a changing workforce, global economic and political uncertainties, and changing technology. Four areas of critical importance to managers are delivering high-quality customer service, encouraging innovative efforts, using social media efficiently and effectively, and recognizing how sustainability contributes to an organization's effectiveness.

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

The key employability skills gained from studying management include critical thinking, communication, collaboration, knowledge application and analysis, and social responsibility. These skills will help you be successful in a variety of business settings.

DISCUSSION QUESTIONS

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

1-2 How do managers differ from nonmanagerial employees?

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

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

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

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

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

1-8 Is there one best "style" of management? Why or why not?

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

MyLab Management Writing Assignments

If your instructor has assigned this activity, go to **www.pearson.com/mylab/management** for auto-graded writing assignments as well as the following assisted-graded writing questions:

1-10 Do all organizations need managers? Explain.

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

1-12 MyLab Management only—additional assisted-graded writing assignment.

Applying: Getting Ready for the Workplace

Management Skill Builder | BECOMING POLITICALLY ADEPT

Anyone who has had much work experience knows that organizational politics exists everywhere. That is, people try to influence the distribution of advantages and disadvantages within the organization in their favor. Those who understand organizational politics typically thrive. Those who don't, regardless of how good their actual job skills are, often suffer by receiving less positive performance reviews, fewer promotions, and smaller salary increases. If you want to succeed as a manager, it helps to be politically adept. Research has shown that people differ in their political skills.[39] Those who are politically skilled are more effective in their use of influence tactics. Political skill also appears to be more effective when the stakes are high. Finally, politically skilled individuals are able to exert their influence without others detecting it, which is important in being effective so that you're not labeled as playing politics. A person's political skill is determined by (1) his or her networking ability, (2) interpersonal influence, (3) social astuteness, and (4) apparent sincerity.

MyLab Management
PERSONAL INVENTORY ASSESSMENT

Go to **www.pearson.com/mylab/management** to complete the Personal Inventory Assessment related to this chapter.

P I A PERSONAL INVENTORY ASSESSMENT

Skill Basics

Forget, for a moment, the ethics of politicking and any negative impressions you might have of people who engage in organizational politics. If you want to become more politically adept in your organization, follow these steps:

- *Develop your networking ability.* A good network can be a powerful tool. You can begin building a network by getting to know important people in your work area and the organization and then developing relationships with individuals in positions of power. Volunteer for committees or offer your help on projects that will be noticed by those in positions of power. Attend important organizational functions so that you can be seen as a team player and someone who's interested in the organization's success. Start a file list of individuals that you meet, even if for a brief moment. Then, when you need advice on work, use your connections and network with others throughout the organization.

- *Work on gaining interpersonal influence.* People will listen to you when they're comfortable and feel at ease around you. Work on your communication skills so that you can communicate easily and effectively with others. Work on developing a good rapport with people in all areas and at all levels of your organization. Be open, friendly, and willing to pitch in. The amount of interpersonal influence you have will be affected by how well people like you.

- *Develop your social astuteness.* Some people have an innate ability to understand people and sense what they're thinking. If you don't have that ability, you'll have to work at developing your social astuteness by doing things such as saying the right things at the right time, paying close attention to people's facial expressions, and trying to determine whether others have hidden agendas.

- *Be sincere.* Sincerity is important to getting people to want to associate with you. Be genuine in what you say and do. And show a genuine interest in others and their situations.

Practicing The Skill

Take each of the components of political skill and spend one week working on it as you navigate your school life and work life. Keep a journal (or brief set of notes) describing your experiences—good and bad. Were you able to begin developing a network of people you could rely on or connect with for school or work commitments? How did you try to become better at influencing those around you? Did you work at communicating better or at developing a good rapport with coworkers or class project team members? Did you work at developing your social astuteness, maybe by starting to recognize and interpret people's facial expressions and the meaning behind those expressions? Did you make a conscious effort to be more sincere in your relationships with others, especially those that are not close friends? What could you have done differently to be more politically skilled? Once you begin to recognize what's involved with political skills, you should find yourself becoming more connected and better able to influence others—that is, more politically adept.

Experiential Exercise

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

Here are your instructions:

(1) In your "assigned" team, talk about good bosses. What do they do that makes them "good"? What characteristics do they have? How do they treat employees? How do they get their employees to be efficient and effective? Then, do the same thing for bad bosses. What do they do that makes them "bad"? What characteristics do they have? How do they treat employees? How do they discourage their employees from being efficient and effective? To help you get started, think about bosses you've had—or maybe even about successes/failures you've had as you've "bossed"!

(2) Make a master list of your ideas about "good" bosses and one for "bad" bosses.

(3) Create a chart summarizing this information that you can share with the rest of the groups. Although it's not required, if you can think of an appropriate meme or other visual, create and share that also.

(4) Finally, identify three "takeaways" that you think are most important from what your team discussed. What are the three traits of bosses that everyone wants to work for? Make a list of these and briefly explain why you think they're important. Focus on what we (all of the company managers) might do to be bosses who would be considered "good"! We plan to compile all of these and use them in our management training modules.

CASE APPLICATION #1

Training Better Managers...Now at Walmart
Topic: Management training

Walmart, the world's largest retailer, is a mega-business with more than 11,700 retail units in 28 countries and approximately 2.3 million associates around the world. That's a lot of employees to manage! Its most recent annual revenues were more than $485.3 billion with profits of more than $13.6 billion. Because of its position as the United States's largest private employer, Walmart often finds itself at the center of controversy over employee-related issues, from sick day policies[40] to wage concerns.[41] However, in 2016, the company created its Walmart Academy training program, a program intended to help those employees in lower-level management positions be more successful in their careers. Currently, there are some 100 of these academies across the United States. Since its inception, more than 150,000 store supervisors and department managers have gone through the weeks-long training.[42]

What does the training include? Topics cover advanced retail skills, including merchandising, ordering, and inventory control, plus managerial skills, including better communication and motivating employees. All management training is designed with the goal of helping transform the in-store shopping experience into a consistently positive one. As the industry faces increasing competitive pressures from Amazon and other online sellers, brick-and-mortar retailers are being forced to provide customers with something that makes the customer want to come to their store again and again. For Walmart, this means that if the company wants to create a more pleasant in-store shopping experience, it needs a well-trained and engaged workforce. That starts with the managers who, in turn, take that focus back to training their

> ## Helping employees
> **take charge of their careers!**

employees to be attentive to customers. Walmart thinks this effort is so vital that it has spent $2.7 billion (yes, that's billion!) on employee training and raising employee wages. That's a significant investment. However, there are companies that evidently don't focus on training managers as Walmart does. Here are some startling statistics[43]:

• 26 percent of new managers feel they're unprepared to transition into management roles.
• 58 percent of new managers don't receive any training to help them make the transition.
• 48 percent of first-time managers fail in that transition.

Considering the important role that managers play in employee motivation and engagement, investing in training, like Walmart is doing, seems to be a good investment.

Discussion Questions

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

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

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

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

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

CASE APPLICATION #2

Who Needs a Boss?
Topic: Holacracy

"Holacracy."[44] That's the word of the day at Zappos, the Nevada-based online shoe and apparel retailer. During a four-hour, year-end employee meeting some five years ago, CEO Tony Hsieh announced that he was eliminating the company's traditional managerial and structural hierarchy to implement a holacracy. What is a holacracy, you ask? In a nutshell, it's an organizational system with no job titles, no managers, and no top-down hierarchy with upper, middle, or lower levels where decisions can get hung up. The idea behind this new type of arrangement is to focus on the work that needs to be done and not on some hierarchical structure where great ideas and suggestions can get lost in the channels of reporting. The holacracy concept was dreamed up by Brian Robertson, the founder of a Pennsylvania software startup. Its name comes from the Greek word *holos*, a single, autonomous, self-sufficient unit that's also dependent on a larger unit.[45] A simple explanation of Robertson's vision of a holacracy is workers as partners, job descriptions as roles, and partners organized into circles.[46]

At Zappos, work (and the 1,500 employees who do it) will be organized around self-governing employee circles—around 400 of these circles. (It might help you grasp this idea by thinking of these employee circles as types of overlapping employee "groups" but with more fluid membership and individual roles/responsibilities.) In these circles, employees can take on any number of roles, and the expectation is that each employee will help out wherever he or she can. Without titles or a hierarchy, anyone can initiate a project and implement innovative ideas. The hope is that circle members will pool ideas and watch out for each other. The goal is radical transparency and to get more people to take charge. Yet, trusting individuals who probably know the details of the job better than any "manager" to work conscientiously, creatively, and efficiently is good as long as there is a way to keep standards high. The last thing Zappos wants is for a "slacker" mentality to take hold.

Zappos has always been a risk-taking business. And Hsieh has always approached leading his business in unique and radical ways. He strongly believes in the power of the individual and has created a highly successful organization (which is now part of Amazon) that's known for its zany culture, where corporate values are matched with personal values and where "weirdness and humility" are celebrated.[47] However, as the company moves away from the traditional work model to this new system, it may face some challenges. Both Zappos and Robertson caution that while a holacracy might eliminate the traditional manager's job, there is still structure and accountability. Poor performers will be obvious because they won't have enough "roles" to fill their time, or a circle charged with monitoring the company's culture may decide they're not a good fit. Also, just because there are no "traditional" managers doesn't mean that leaders won't emerge. But it will be important to watch for dominant personalities emerging as authority figures, which could potentially cause other employees to be resentful or to rebel. Zappos says that it will not be leaderless. Some individuals will have a bigger role and scope of purpose, but leadership is also distributed and expected in each role. "Everybody is expected to lead and be an entrepreneur in their own roles, and holacracy empowers them to do so."[48] Also, there will be some structure arrangement where "the broadest circles can to some extent tell sub-groups what they're accountable for doing."[49] But accountability, rather than flowing only up, will flow throughout the organization in different paths. Other challenges of a holacracy include who has the ultimate authority to hire, fire, and decide pay. The hope was that eventually the authority for each of these roles would be done within the holacratic framework as well.

The transition was, by no means, a smooth one. In March 2015, Hsieh sent a memo to employees stating the transition to a holacratic structure was taking too long.[50] He offered all employees who felt they couldn't work under this radically new management system until April 30 to decide whether they wanted to stay or to leave with three months' severance. About 18 percent of the company's workforce chose to leave. Obviously, those individuals felt that holacracy was not for them. For those employees who remained, it's been a constant pace of change.[51] Some feel that the new system allowed their voices to be heard and allowed them to take on more

> At Zappos, they're learning how to **manage without managers**!

substantive roles. Others felt confused and demoralized. Yet, the culture, the corporate values, and, yes, the weirdness, are still what attract and keep Zapponians there. Hsieh remains steadfast about holacracy and its potential for creating a different and forward-thinking company.

Discussion Questions

1-18 What is a holacracy?

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

1-20 What challenges does a holacratic approach have?

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

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

CASE APPLICATION #3

Destroying the World
Topic: Data Security and Data Breaches

You used to be able to tell who the bad guys were. But in our increasingly digital online world, those days are long gone. Now, the bad guys are faceless and anonymous. And they can and do inflict all kinds of damage on individuals, businesses, governments, and other organizations. Surveys show that data breach attacks are happening with alarming regularity. And while your home and school PCs are hopefully well protected from data theft and viruses, don't think that you're in the clear. Data thieves are also targeting smartphones and other mobile devices. And in early 2018, the potential for these thieves to steal your information on your personal devices or information stored on others' computing devices rose dramatically.

The news broke in early 2018 that independent researchers had discovered flaws in chip designs made by Intel Corporation that hackers could exploit to steal data thought to be secure.[52] Every PC, smartphone, and server was exposed and vulnerable. These flaws, code-named Meltdown and Spectre, are unprecedented in their potential information security vulnerabilities.

Intel has been the world's foremost chipmaker for well over 25 years. It makes about 90 percent of the world's computer processors and some 99k percent of the server chips that run the internet.[53] Intel is a big company with a solid reputation for reliability. However, this whole situation is likely to

> Managing talented people in a **work environment that's quickly shifting can be quite** challenging!

be viewed as a significantly critical error and misstep by Intel. How did it all come to light?

In June 2017, a security team at Google's Project Zero notified Intel that it had discovered the flaws in Intel's chips. Who or what is Project Zero? It's the name of team of security analysts employed by Google who are tasked with finding "zero-day vulnerabilities." The sole mission of this team of top security researchers is to identify and incapacitate the most serious security flaws in the world's software so there are zero days of vulnerability.[54] (If you're interested, a thorough technical description of what the team found can be read at https://googleprojectzero.blogspot.com/. Look for a blog post by Jann Horn posted on January 3, 2018.) After being notified of the potentially catastrophic flaw, Intel, behind the scenes, worked on fixes with Alphabet Inc.'s Google unit and other "key" computer makers and cloud computing companies.[55] Intel had planned to make the discovery public on January 9, 2018. However, on January 3, 2018, the U.K. website the *Register* broke the news about the flaws. Now, the cat was out of the bag, and the fallout was just beginning. Another issue that eventually came to light was the disclosure that Intel had told Chinese companies Lenovo and Alibaba of the security issues before it had alerted key national security agencies of the U.S. government.[56]

As Intel and other tech companies work on patches for the chip flaws, managers of data centers at companies around the world are working to protect their data and their customers. It's a challenge because quick fixes aren't perfect and long-term fixes won't be easy. And the hackers keep hacking. As data security breaches have become all too common, managing those individuals who work to identify and protect data in an environment that's quickly shifting can be quite challenging.

Discussion Questions

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

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

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

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

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History Module
A BRIEF HISTORY OF MANAGEMENT'S ROOTS

Henry Ford once said, "History is more or less bunk." Well…Henry Ford was wrong! History is important because it can put current activities in perspective. We propose that you need to know management history because it can help you understand what today's managers do. In this module, you'll find an annotated timeline that discusses key milestones in management theory. *Check out each chapter's "Classic Concepts in Today's Workplace" box feature where we highlight a key person and his or her contributions or a key historical factor and its effect on contemporary management concepts.* We believe this approach will help you better understand the origins of many contemporary management concepts.

Early Management
Management has been practiced a long time. Organized endeavors directed by people responsible for planning, organizing, leading, and controlling activities have existed for thousands of years. Regardless of what these individuals were called, someone had to perform those functions.

Early Management   Behavioral Approach   Contemporary Approaches

1911–1947   **1940s–1950s**

• **3000 BCE–1776**   **Late 1700s–1950s**   **1960s–present**

Classical Approaches   Quantitative Approach

Stephen Studd/The Image Bank/Getty Images

3000–2500 BCE

The Egyptian pyramids are proof that projects of tremendous scope, employing tens of thousands of people, were completed in ancient times.[1] It took more than 100,000 workers some 20 years to construct a single pyramid. Someone had to plan what was to be done, organize people and materials to do it, make sure those workers got the work done, and impose some controls to ensure that everything was done as planned. That someone was managers.

Antonio Natale/Getty Images

1400s

At the arsenal of Venice, warships were floated along the canals, and at each stop, materials and riggings were added to the ship.[2] Sounds a lot like a car "floating" along an assembly line, doesn't it? In addition, the Venetians used warehouse and inventory systems to keep track of materials, human resource management functions to manage the labor force (including wine breaks), and an accounting system to keep track of revenues and costs.

Fotosearch/Archive Photos/Getty Images
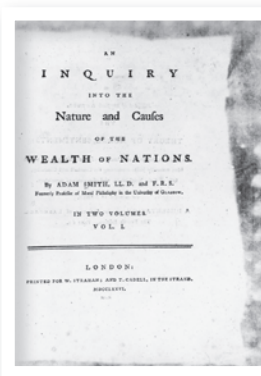
1776

Although this is an important date in U.S. history, it's also important because it's the year Adam Smith's *Wealth of Nations* was published. In it, he argued the economic advantages of the **division of labor (or job specialization)**—that is, breaking down jobs into narrow, repetitive tasks. Using division of labor, individual productivity could be increased dramatically. Job specialization continues to be a popular way to determine how work gets done in organizations. As you'll see in Chapter 6, it does have its drawbacks.

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1780s–Mid-1800s

The Industrial Revolution may be the most important pre-twentieth-century influence on management. Why? Because with the industrial age came the birth of the corporation. With large, efficient factories pumping out products, someone needed to forecast demand, make sure adequate supplies of materials were available, assign tasks to workers, and so forth. Again, that someone was managers! It was indeed a historic event for two reasons: (1) because of all the organizational aspects (hierarchy, control, job specialization, and so forth) that became a part of the way work was done and (2) because management had become a necessary component to ensure the success of the enterprise.