DAFT

Management

FOURTEENTH EDITION

Richard L. Daft

PLANNING

ORGANIZING

LEADING

CONTROLLING

DAFT

FOURTEENTH EDITION

Management

Richard L. Daft

Vanderbilt University

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To my parents, who started my life
toward outcomes that I could not understand at the time

Richard L. Daft, Ph.D., is the Brownlee O. Currey, Jr., Professor in the Owen Graduate School of Management at Vanderbilt University. Professor Daft specializes in the study of organization theory and leadership; he is a fellow of the Academy of Management and has served on the editorial boards of the *Academy of Management Journal, Administrative Science Quarterly,* and *Journal of Management Education.* He was the associate editor-in-chief of *Organization Science* and served for three years as associate editor of *Administrative Science Quarterly.*

Professor Daft has authored or co-authored 14 books, including *The Leadership Experience* (Cengage/South-Western, 2018), *Organization Theory and Design* (Cengage, 2021), *The Executive and the Elephant: A Leader's Guide for Building Inner Excellence* (Jossey-Bass, 2010), and *Understanding Management* (with Dorothy Marcic; Cengage, 2020). He has also written dozens of scholarly articles, papers, and chapters in other books. His work has been published in *Organizational Dynamics, Administrative Science Quarterly, Academy of Management Journal, Academy of Management Review, Strategic Management Journal, Journal of Management, Accounting Organizations and Society, Management Science, MIS Quarterly, California Management Review,* and *Organizational Behavior Teaching Review.* In addition, Professor Daft is an active teacher and consultant. He has taught management, leadership, organizational change, organizational theory, and organizational behavior.

Professor Daft has served as associate dean, produced for-profit theatrical productions, and helped manage a start-up enterprise. He has been involved in management development and consulting for many companies and government organizations, including the National Academy of Science, Aluminum Bahrain (Alba), Oak Ridge National Laboratory, Cardinal Healthcare, American Banking Association, AutoZone, Aegis Technology, Bridgestone, Bell Canada, Allstate Insurance, Vulcan Materials, the National Transportation Research Board, the Tennessee Valley Authority (TVA), State Farm Insurance, Tenneco, the U.S. Air Force, the U.S. Army, Eli Lilly, Central Parking System, Entergy Sales and Service, Bristol-Myers Squibb, First American National Bank, and the Vanderbilt University Medical Center.

Richard L. Daft

v

BRIEF CONTENTS

CONTENTS

PART 3   PLANNING   216

Leading-Edge Management

The year 2020 presented unique and far-reaching challenges to managers in organizations of all types and sizes. The effects of the COVID-19 pandemic put some companies out of business for good and forced managers in all organizations to adapt to new ways of working. Shifting economic conditions and widespread social and political unrest in the United States as well as other countries around the world added to the turmoil and further eroded the myth of a stable environment. Even before the recent dramatic upheavals, managers and organizations were being buffeted by far-reaching competitive, social, technological, and economic changes. Business schools, as well as managers, are scrambling to cope with the turbulence, keep up with fast-changing events, and evaluate the impact that this volatile period of history will have on organizations in the future. This edition of *Management* addresses themes and issues that are directly relevant to the current, fast-shifting business environment.

I revised *Management*, 14th edition, with a goal of helping current and future managers find leading-edge solutions to the problems that plague today's organizations—whether they are everyday challenges or once-in-a-lifetime crises. The world in which most students will work as managers is undergoing a tremendous upheaval. Ethical and social turmoil, the need for crisis management skills, e-commerce and mobile commerce, economic instability, rapidly changing technologies, globalization, outsourcing, cybersecurity threats, increasing government regulation, social media, global supply chains—all of these challenges, and more, place demands on managers that go beyond the techniques and ideas traditionally taught in management courses. Managing today requires the full breadth of management skills and capabilities. This text provides comprehensive coverage of both traditional management skills and the new competencies needed in a turbulent environment characterized by economic and social turmoil, political confusion, and general uncertainty.

In the traditional world of work, management's job was to control and limit people, enforce rules and regulations, seek stability and efficiency, design a top-down hierarchy, and achieve bottom-line results. But to spur innovation, adapt to rapid environmental shifts, and achieve high performance, managers need different skills. Managers must find ways to engage workers' hearts and minds, as well as take advantage of their labor. The new workplace asks that managers focus on building trust, inspiring commitment, leading change, harnessing people's creativity and enthusiasm, finding shared visions and values, and sharing information and power. Teamwork, collaboration, participation, and learning are guiding principles that help managers and employees maneuver the bumpy terrain of today's chaotic business environment. Rather than controlling their employees, savvy managers focus on training them to adapt to new technologies and extraordinary environmental shifts, and thus achieve high performance and total corporate effectiveness.

My vision for this edition of *Management* is to present the newest management ideas in a way that is both interesting and valuable to students, while retaining the best of traditional management thinking. To achieve this vision, I have included the most up-to-date management concepts and research and have shown the contemporary application of management ideas in organizations. At the end of each major chapter section, a "Remember This" feature offers a quick review of the salient concepts and terms that students should

remember. Within each chapter, a wealth of examples, called Snapshots, highlight the application of concepts to the real world, and a "Creating a Greener World" feature illustrates how various organizations are responding to the growing demands for socially and environmentally responsible ways of doing business. Thoughtful or inspiring quotes within each chapter—some from business leaders, but others from novelists, philosophers, and everyday people—help students expand their thinking about management issues. The combination of established scholarship, new ideas, and real-life applications gives students a taste of the energy, challenge, and adventure inherent in the dynamic field of management. The Cengage Learning staff and I have worked together to provide a textbook that is better than any other at capturing the excitement of organizational management.

LEADING-EDGE MANAGEMENT: NEW TO THE 14TH EDITION

My primary focus when revising the 14th edition has been to relate management concepts and theories to events in today's turbulent environment by bringing in present-day issues that real-life managers face.

LEARNING OPPORTUNITIES

The 14th edition includes several innovative pedagogical features to help students understand their own management capabilities and learn what it is like to manage in an organization today. Each chapter begins with a "Know Yourself" self-assessment questionnaire that directly relates to the theme of the chapter and enables students to see how they respond to situations and challenges typically faced by real-life managers. A second "Know Yourself" within each chapter provides an additional opportunity for students to understand their management abilities. These short questionnaires provide feedback to the students that compares their responses to those of their classmates and gives students insight into how they would function in the real world of management. "Remember This" bullet-point summaries at the end of each major chapter section enable students to quickly review the key points and concepts covered in that section. The end-of-chapter questions have been carefully revised to encourage critical thinking and application of chapter concepts. The end-of-chapter "Engagement Exercise" has been enhanced with an "In-Class/Online Application." This feature and the "Small Group Breakout" exercises give students the opportunity to apply concepts while building teamwork skills. Ethical dilemma scenarios, cases for analysis, and MindTap activities help students "think like a manager" and sharpen their diagnostic skills for management problem solving.

CHAPTER CONTENT

Within each chapter, many topics have been added or expanded to address the current issues that managers face. Every chapter includes at least one real-life example related to the extraordinary challenges that the COVID-19 pandemic created for managers around the world. The text has also been tightened and sharpened to provide greater focus on the key topics that count the most for management today. The essential elements concerning operations and information technology—subject matter that is frequently covered in other courses—have been combined into an appendix for students who want more information about these topics.

Chapter 1 includes a discussion of the leading-edge management competencies that have become so critical to the success of organizations today and will remain so into the future. This introductory chapter discusses the trend toward bossless organizations, introduces

the basic functions and skills of management, and gives students an idea of what the manager's job entails. It also describes the challenges involved in making the leap from being an individual contributor in the organization to becoming a manager and getting work done primarily through the efforts of others. The chapter touches upon the skills and competencies needed to manage organizations effectively, including issues such as managing one's time, maintaining appropriate control, and building trust and credibility.

Chapter 2 provides solid coverage of the historical development of management and organizations. It begins with an overview of the historical struggle within the field of management to balance the machinery and the humanity of production. The chapter includes sections on managing the technology-driven workplace and managing the people-driven workplace; it ends with a consideration of artificial intelligence (AI) and nudge management as possible answers to the human–machine struggle. The section on managing the technology-driven workplace includes information on big data analytics, the Internet of Things (IoT), and new platform-based organizations. Managing the people-driven workplace includes discussions of the trend toward radical decentralization and using engagement to manage Generation Z and Millennial employees.

Chapter 3 contains an updated view of current issues related to the business environment and corporate culture, including a discussion of organizational ecosystems, the growing importance of the international environment, and trends in the sociocultural environment, including shifting social views on issues such as same-sex marriage and alternative lifestyles. The chapter also describes the use of social media analytics for boundary spanning, the growing challenges to large tech companies related to privacy and security issues, and the current widespread concern about how some companies with strong cultures have handled sexual harassment and misconduct. The chapter closes with a discussion of how managers can shape a high-performance culture as an innovative response to a shifting environment.

Chapter 4 takes an updated look at the changing international landscape, including the growing clout of China and India and what this development means for managers around the world, including a broader and more complex array of political risks. The chapter looks at the shifting geography of the *Fortune* Global 500 companies, describes the importance of cultural intelligence (CQ) and a global mindset, and considers communication challenges, including a discussion of the role of implicit communication. The chapter also discusses the bottom-of-the-pyramid (BOP) concept, and describes changes in the European Union and the new U.S.–Mexico–Canada Agreement (USMCA).

Chapter 5 makes the business case for incorporating ethical values into the organization and considers how managers can create an ethical organization using both a values-based approach and a structure-based approach. It includes an updated discussion of the state of ethical management today, the pressures that can contribute to unethical behavior in organizations, the difference between "giving" and "taking" corporate cultures, and criteria that managers can use to resolve ethical dilemmas. The chapter considers corporate social responsibility issues as well, including the recent approach of assessing performance on environmental, social, and governance (ESG) dimensions, the Business Roundtable's new "Statement on the Purpose of a Corporation," the growth of the green movement, and the increasing interest in benefit corporations.

Chapter 6 has been thoroughly revised and updated to include the most current thinking on entrepreneurship and small business management. It describes the impact of entrepreneurial companies both in the United States and internationally, examines the state of small businesses owned by women and members of underrepresented groups, and takes a look

at the importance of immigrant-owned businesses in the United States. The chapter also examines some of the typical characteristics of entrepreneurs, describes social entrepreneurship, and explains the process of launching a start-up, including tools and techniques such as knowing when to pivot, using crowdfunding, and participating in incubators or coworking facilities.

Chapter 7 delves into the overall planning and goal-setting process, including the importance of aligning goals and plans and the use of strategy maps for aligning goals. The chapter describes the socially constructed nature of goals and provides frameworks and techniques for managing goal conflict. It also outlines the criteria for effective goals and explores the value of key performance indicators. The chapter covers some of the benefits and limitations of planning and goal setting, and includes a discussion of using management by means (MBM) as a way to lessen the problem of too much pressure to attain goals. The final section describes planning approaches for use in a turbulent environment, including contingency and scenario planning, the use of stretch goals, and crisis planning.

Chapter 8 focuses on the basics of formulating and implementing strategy, including levels of strategy, the elements of competitive advantage, and Michael E. Porter's competitive strategies. It includes a section on SWOT analysis, a discussion of the biggest barriers to strategy execution, and the various strategic options for global business. In addition, the chapter updates the Boston Consulting Group (BCG) matrix and diversification strategy, looking at how managers may use unrelated diversification, related diversification, or vertical integration as strategic approaches in shifting environments. The final section of the chapter provides an updated discussion of how managers effectively execute strategy, including the importance of embeddedness and alignment.

Chapter 9 gives an overview of managerial decision making, including decision-making models, personal decision styles, and a revised and updated discussion of biases that can cloud managers' judgment and lead to bad decisions. The chapter includes an examination of the use of AI in programmed decision making, a section on quasirationality, an expanded discussion of ambiguity and conflict, and a short discussion of the 5 Whys technique. The final section looks at innovative group decision making, including the concept of evidence-based decision making, ways to avoid groupthink and escalating commitment, and premortems and postmortems (also called after-action reviews).

Chapter 10 discusses basic principles of organizing and describes both traditional and contemporary organizational structures in detail. The chapter includes an expanded discussion of outsourcing and the virtual network structure and looks at the essential role of coordination and collaboration in today's digitally advanced organizations. It provides an overview of the strengths and weaknesses associated with each structural approach, looks at the trend toward decentralization, and highlights experiments with bosslessness.

Chapter 11 focuses on the critical role of managing innovation and change in today's business environment. The chapter includes a revised and expanded discussion of disruptive innovation, including self-disruption. The content on the ambidextrous approach has been enhanced with a discussion of exploration and exploitation in the innovation process. The chapter also describes the bottom-up approach to innovation, ways to encourage corporate intrapreneurship, and the use of innovation contests. The section on collaboration and open innovation has been enhanced with a discussion of the growing use of internal crowdsourcing and in-house ventures. The final sections of the chapter examine the reasons why many people resist change and provide a three-stage model for effectively implementing change.

Chapter 12 has been thoroughly revised to reflect the shifting role of human resource management (HRM) in today's turbulent environment. The chapter includes expanded discussions of aligning HR strategies with the organization's strategic direction, new approaches to interviewing, new training challenges, and new types of benefits. It also takes a look at the gig economy and the shadow workforce, examines the use of AI and virtual approaches to recruiting and hiring, and looks at the shift from performance evaluation to performance management.

Chapter 13 has been completely updated to reflect the most recent thinking on today's complex organizational diversity issues. The chapter includes an updated discussion of demographic and social changes occurring in the domestic and global workforce and how organizations are responding to these shifts. Expanded sections explore the challenges that women and members of underrepresented groups face in organizations, including a deeper discussion of the problem of implicit or unconscious bias and the challenge of reaching the "first rung" of the management ladder. The chapter also delves into the importance of using new recruiting approaches, establishing sponsor relationships, providing personal coaching and feedback, and encouraging employee resource groups as ways to support underrepresented employees and create an inclusive environment.

Chapter 14 maintains its solid coverage of the basics of understanding individual behavior, including personality, attitudes, perception, and emotions. In addition, the chapter now includes an expanded section on the value and difficulty of self-awareness, techniques for enhancing self-awareness and recognizing blind spots, and brief discussions of positive and negative attributions, grit, negativity bias, and emotional contagion. The chapter also describes self-management and gives a step-by-step guide to time management. The section on stress management has been enhanced with a discussion of resilience, the distinction between challenge stress and threat stress, and strategies that both individuals and organizations can implement to help people develop resilience and combat the harmful effects of too much stress.

Chapter 15 examines contemporary approaches to leadership, including Level 5 leadership, authentic leadership, servant leadership, and interactive leadership. The chapter also discusses the difference between management and leadership, formal versus informal leadership, charismatic and transformational leadership, task versus relationship leadership behaviors, gender differences in leadership, the importance of leaders discovering and honing their strengths, and the crucial role of followers. The section on leadership power describes the differences between *hard* versus *soft* power and outlines various interpersonal influence tactics that leaders use.

Chapter 16 covers the foundations of motivation and incorporates sections on positive versus negative approaches to motivating employees and the use of intrinsic versus extrinsic rewards. The chapter also describes using reinforcement for motivation, the job characteristics model, and leading-edge motivational methods such as empowering people to meet their higher-level needs and giving meaning to people's work through engagement.

Chapter 17 which explores the basics of good communication, has been updated to incorporate the use of new communication and collaboration platforms in today's organizations. The chapter includes discussions of purpose-driven communication, giving feedback, communicating with candor, the importance of listening and asking questions, and the role of nonverbal communication. Sections also focus on communicating to persuade and influence, using internal and external social media, using new communication tools for team collaboration, and the role of personal networks and the grapevine.

Chapter 18 takes a fresh look at the contributions that teams make in organizations. It acknowledges that work teams are sometimes ineffective and explores the reasons for their shortcomings, including such problems as free riders and lack of trust. The chapter differentiates between putting together a team and building teamwork, defines the types of teams, and describes the stages of team development. In addition, it examines some of the challenges faced by today's remote workers and virtual teams, and explores the role of team leadership and technology in these situations. The chapter includes a discussion of the growing use of self-managed and agile teams, describing the characteristics of such teams. It also considers how factors such as team diversity, member roles, norms, and team cohesiveness influence effectiveness. Finally, the section on negotiation and managing conflict offers an explanation of task versus relationship conflict and suggests different ways of expressing and managing conflict.

Chapter 19 provides an overview of financial and quality control, including the importance of control, the feedback control model, use of the balanced scorecard, and total quality management techniques such as Six Sigma, quality partnering, benchmarking, and *kaizen*. The chapter explores the difference between decentralized and hierarchical control, the dilemma of using algorithmic control, the use of zero-based budgeting, and basic concepts of budgetary and financial control.

In addition to the topics listed previously, this text integrates coverage of the Internet, social media, and new technology into the various topics covered in each and every chapter. I have also incorporated management responses to the challenges brought about by the COVID-19 pandemic in every chapter of this revision.

ORGANIZATION

The chapter sequence in *Management* is organized around the management functions of planning, organizing, leading, and controlling. These four functions effectively encompass both management research and the characteristics of the manager's job.

Part 1 introduces the world of management, including the nature of management, issues related to today's chaotic environment, historical perspectives on management, and the technology-driven workplace.

Part 2 examines the environments of management and organizations. This section includes material on the business environment and corporate culture, the global environment, ethics and social responsibility, and the environment for small businesses and entrepreneurship.

Part 3 presents three chapters on planning, including organizational goal setting and planning, strategy formulation and execution, and the decision-making process.

Part 4 focuses on organizing processes. These chapters describe dimensions of structural design, the design alternatives that managers can use to achieve strategic objectives, structural designs for promoting innovation and change, the design and use of the human resource function, and the significance of the approach to managing diverse employees for the organizing function.

Part 5 is devoted to leadership. This section begins with a chapter on understanding individual behavior, including self-awareness and self-understanding. This exploration paves the way for subsequent discussions of leadership, motivation of employees, communication, and team management.

Part 6 describes the controlling function of management, including TQM's basic principles, the design of control systems, and the difference between hierarchical and decentralized control.

INNOVATIVE TEXT FEATURES

A major goal of this book is to offer better ways of using the textbook medium to convey management knowledge to the reader. To this end, the book includes several innovative features that draw students in and help them contemplate, absorb, and comprehend management concepts. Cengage Learning has brought together a team of experts to create and coordinate color photographs, beautiful artwork, and supplemental materials for the best management textbook and package on the market.

Chapter Outline and Objectives. Each chapter begins with a clear statement of its learning objectives and an outline of its contents. These signposts provide an overview of what is to come and can be used by students to guide their study and test their understanding and retention of important points.

Know Yourself Self-Assessments. At the beginning of each chapter, a self-assessment questionnaire grabs students' attention immediately by giving them a chance to actively participate in the chapter content. Students answer personal questions related to the topic and score the assessment based on their answers. These self-assessments provide insight into what to expect and how students might perform in the world of the new manager. An additional "Know Yourself" feature strategically located within each chapter invites students to "Take a Moment" to respond to another self-assessment questionnaire that relates to the concepts being discussed.

Creating a Greener World. Many of today's students are gravely concerned about the damage being done to the world's natural environment. The "Creating a Greener World" feature in each chapter highlights how managers in a specific company are innovatively addressing issues of sustainability and environmental responsibility. Companies spotlighted in these boxes include Koninklijke DSM, LoyaltyOne, Fig Loans, Sunrun, Target, Nestlé, the government of China, BMW, Nike, Coca-Cola, Apple, PepsiCo, HSBC Bank, Cargill Foods India, Burt's Bees, Enel, Acciona, Deutsche Post DHL Group, and Subaru.

Concept Connection Photo Essays. A key feature of the book is the use of photographs accompanied by detailed photo essay captions that enhance learning. Each caption highlights and illustrates one or more specific concepts from the text to reinforce student understanding of the concepts; collectively, they also convey the vividness, immediacy, and concreteness of management events in today's business world.

Snapshot Examples. Every chapter contains numerous "Snapshot" examples of management incidents. These features are placed at strategic points in the chapter and are designed to illustrate the application of concepts to specific companies. The in-text examples—indicated by red lettering and an icon in the margin—include well-known U.S. and international organizations, including Netflix, Twitter, Siemens Gamesa, Airbus, Tik-Tok, Didi Chuxing, Facebook, Nike, Boeing, Snapchat, Xiaomi, Volkswagen, Uber, Goya Foods, Haier, Synchrony Financial, Publix, Instagram, Zara, Toyota, Academy of Motion Picture Arts and Sciences, Popeye's, Huawei, Google and Alphabet, Amazon, National Foods Limited, General Electric (GE), and Unilever, as well as lesser-known companies and not-for-profit organizations, including Girl Scouts of the USA, SCA (Svenska Cellulosa Aktiebolaget), Dialpad, Second Harvest Food Bank, Plante Moran, Taulia, Earl's Kitchen

+ Bar, Simple Green Smoothies, Buurtzorg, Junior League, Adient Lerma, Sadler's Wells Theatre, Sweetgreen, Godrej & Boyce, Carilion Clinic, and the San Diego Zoo. The Snapshots put students in touch with the real world of organizations so that they can appreciate the value of management concepts.

Manager's Shoptalk.   A "Manager's Shoptalk" feature in each chapter addresses a specific topic straight from the field of management that is of special interest to students. In this edition, several of these features highlight examples of bossless organizations, while others describe a contemporary topic or problem that is relevant to the chapter content or contain a special example of how managers handle a problem. These features are designed to heighten students' interest in the subject matter and provide an auxiliary view of management issues not typically available in textbooks.

Exhibits.   Several exhibits have been added or revised in this edition to enhance student understanding. Many aspects of management are research-based, and some concepts tend to be abstract and theoretical. The many exhibits throughout this book enhance students' awareness and understanding of these concepts. These exhibits consolidate key points, indicate relationships among concepts, and visually illustrate concepts. They also make effective use of color to enhance their imagery and appeal.

Remember This.   At the end of each major section of a chapter is a "Remember This" bullet-point summary of the key concepts, ideas, and terms discussed in that section. This feature gives students an easy way to review the salient points covered in the chapter. The short summaries also include one or more of the examples from the section to remind students how the concepts were applied in a real organization.

Glossaries.   Learning the vocabulary of management is essential to understanding contemporary management. This process is facilitated in three ways in this book. First, key concepts are boldfaced and completely defined where they first appear in the text. Second, brief definitions are set out at the end of each major section in the "Remember This" lists for easy review and follow-up. Third, flashcards are found in the MindTap "Study It" folder.

Discussion Questions.   Each chapter closes with discussion questions that will enable students to check their understanding of key issues, to think beyond basic concepts, and to determine areas that require further study.

Apply Your Skills Exercises.   End-of-chapter exercises called "Apply Your Skills: Engagement Exercise" and "Apply Your Skills: Ethical Dilemma" provide self-tests for students and opportunities to experience management issues in a personal way. These exercises take the form of questionnaires, scenarios, and activities. An "In-Class/Online Application" has been added to each "Engagement Exercise" in this edition.

Small Group Breakout Exercises.   "Small Group Breakout" exercises at the end of each chapter give students a chance to develop both team and analytical skills. Completing the small-group activities will help students learn to use the resources provided by others in the group, to pool information, and to develop a successful outcome together. The "Small Group Breakouts" provide experiential learning that leads to deeper understanding and application of chapter concepts.

Case for Critical Analysis. Also appearing at the end of each chapter is a brief but substantive case that offers an opportunity for student analysis and class discussion. These cases are based on real management problems and dilemmas, but the identities of companies and managers have been disguised. They allow students to sharpen their diagnostic skills for management problem solving.

MINDTAP'S INNOVATIVE DIGITAL FEATURES

Today's leading digital platform, MindTap, gives you complete control of your course—equipping you to craft unique learning experiences that challenge students, build confidence and elevate performance.

Use MindTap as-is or customize it to meet your specific needs. You can even integrate it easily into your institution's Learning Management System (LMS). A MindTap presents complex concepts using a blend of engaging narrative and media assets clearly linked to assessments. So, students can start applying concepts to real-world situations from the beginning of your course with content that progresses from understanding core concepts to critical thinking and, ultimately, application.

Product Features
MindTap's outcome-based learning design propels students from memorization to mastery. It's the only platform today that gives you complete ownership of your course. With MindTap you can challenge every student, build confidence and empower today's learners to be unstoppable.

Anchor Learning With Improved Learning Path Design.
MindTap helps students focus by dividing the Learning Path into groups of bite-size activities that are anchored to a single concept.

Access Everything You Need In One Place.
Cut down on prep with preloaded, organized course materials in MindTap. Teach more efficiently with interactive multimedia, assignments, quizzes and focused resources all on one screen.

Control Your Course, Your Content.
Only MindTap gives you complete control of your course. You have the flexibility to reorder textbook chapters, add your own notes and embed a variety of content, including OER. Personalize course content to your students' needs by editing question text or answer choices. They can even read your notes, add their own and highlight key text to aid their progress.

Count On Our Dedicated Team, Whenever You Need Them.
MindTap is not simply a comprehensive tool—it's a network of support from a personalized team eager to further your success. We're ready to help—from setting up your course to tailoring MindTap resources to meet your specific objectives. You'll be ready to make an impact from day one. And, we'll be right here to help you and your students throughout the semester—and beyond.

MINDTAP TABLE OF CONTENTS

MindTap brings together quality learning and convenience through seamless, LMS integrated access to a curated set learning tools designed intentionally for the Principles of Management learner. Each MindTap follows a "Learn It, Apply It, Study It" structure that guides students through bite sized learning exercises, followed by authentic scenario-based application opportunities and then gives them the necessary tools to prepare for quizzes and exams.

Why Does [This Topic] Matter To Me?

Each major part of the course is introduced in MindTap with a "Why Does [This Topic] Matter to Me?" to help showcase relevance and applicability of the material students are about to learn — in an engaging, fun format.

Chapter-Level Ebook

Dynamic eBook brings the value, concepts and applications of the printed text to life. Students open an active learning experience as each chapter provides opportunities to interact with content using the approach that's best for the individual learner.

Self-Assessments

Online questionnaires ask students to answer questions related to the topic and automatically scores the assessment and provides feedback based on their answers. These self-assessments provide insight into what to expect and how students might perform in the world of the new management.

Learn It Activities

New "Learn It" modules aligned to each learning objective and are designed to help students learn the basics of theories and concepts presented in a chapter through digestible summaries and randomized questions that help check their comprehension of the chapter material.

Apply It

- "Apply It" Chapter Assignments and Case Activities bridge the understanding of concepts with their real-world applications in the practice of management.

Study It

- The "Study It" module for each chapter includes Practice Tests powered by A+ Test Prep, a student-powered practice exam tool that allows them to tailor practice tests to fit their needs, and receive immediate feedback and links back to the material they need to review. The "Study It" module also contains digital flashcards to help students practice key terminology and a student-facing version of the PowerPoint slides that accompany the text.

Additional Resources

- Concept Clips: These short concept videos bring to life concepts from the text.
- On the Job Videos: These videos enhance the learning experience by giving students the chance to hear from real-world business leaders so they can see the direct application of the management theories they have learned.

You Make The Decision

You Make the Decision mini-simulation activities build critical thinking and decision-making skills by challenging students to use what they know about concepts and theories in the context of a scenario as it unfolds. Throughout the scenario, the student would be provided with information and subsequently faced with decisions. The scenario can change dynamically based on the decisions the students make throughout the short simulation, resulting in different end points that showcase the consequences of the decisions made along the way.

OF SPECIAL INTEREST TO INSTRUCTORS

Instructors will find a number of valuable resources available on our online instructor resource center, accessed through your Cengage instructor account. These include the following:

Instructor's Manual. Designed to provide support for instructors new to the course, as well as innovative materials for experienced professors, the Instructor's Manual includes activities and assessments for each chapter and their correlation to specific learning objectives, an outline, key terms with definitions, a chapter summary, and ideas for engaging with students—such as discussion questions, ice breakers, case studies, and social learning activities that may be conducted in an on-ground, hybrid, or online modality.

Cengage Learning Testing Powered by Cognero. Cognero is a flexible online system that allows you to author, edit, and manage test bank content from multiple Cengage Learning solutions; create multiple test versions in an instant; and deliver tests from your LMS, your classroom, or wherever you want.

PowerPoint Lecture Presentation. The PowerPoint Lecture Presentations are closely tied to the Instructor Manual, providing ample opportunities for generating classroom discussion and interaction. They offer ready-to-use, visual outlines of each chapter, which may be easily customized for your lectures.

Guide to Teaching Online. This guide presents technological and pedagogical considerations and suggestions for teaching the Management course when you can't be in the same room with students.

Transition Guide. This guide highlights all of the changes in the text and in the digital offerings from the previous edition to this edition.

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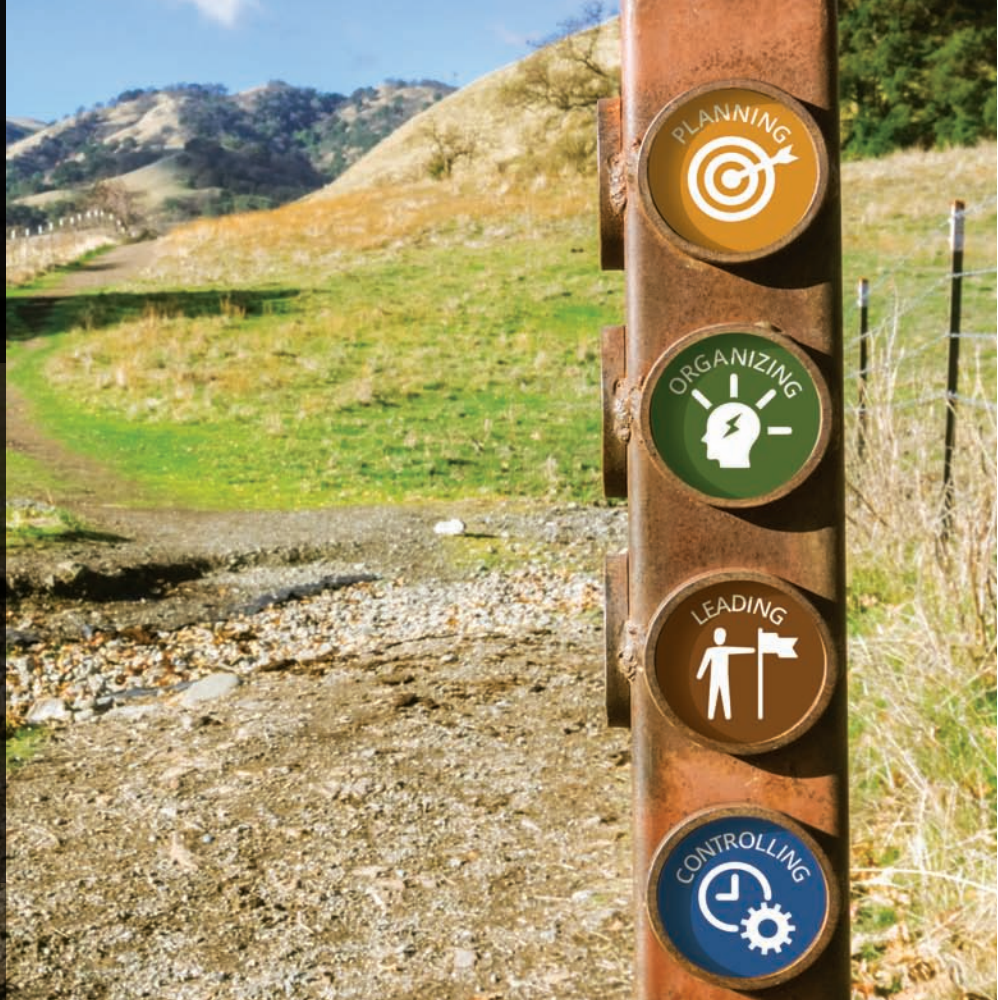
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PART 1

CH 1

Leading Edge Management

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

1. Explain five management competencies and the trend toward bosslessness in today's world.

2. Define the four management functions and the type of management activity associated with each.

3. Explain the difference between efficiency and effectiveness, as well as their importance for organizational performance.

4. Describe technical, human, and conceptual skills and their relevance for managers.

5. Identify the personal challenges faced by new managers and ways of overcoming them.

6. Define the management types and roles that managers perform in organizations.

7. Explain the unique characteristics of the manager's role in nonprofit organizations.

1

INTRODUCTION

2

ENVIRONMENT

3

PLANNING

4

ORGANIZING

5

LEADING

6

CONTROLLING

Take a Moment: Know Yourself

Manager Achievement

Welcome to the world of management. Are you ready for it? This questionnaire will help you see whether your priorities align with the demands placed on today's managers.

INSTRUCTIONS: Rate each of the following items based on your orientation toward personal achievement. Read each item and, based on how you feel right now, check either Mostly True or Mostly False.

	Mostly True	Mostly False
1. I enjoy the feeling I get from mastering a new skill.	_____	_____
2. Working alone is typically better than working in a group.	_____	_____
3. I like the feeling I get from winning.	_____	_____
4. I like to develop my skills to a high level.	_____	_____
5. I rarely depend on anyone else to get things done.	_____	_____
6. I am frequently the most valuable contributor to a team.	_____	_____
7. I like competitive situations.	_____	_____
8. To get ahead, it is important to be viewed as a winner.	_____	_____

SCORING AND INTERPRETATION: Give yourself one point for each "Mostly True" answer. In this case, a *low score* is better. A high score means a focus on personal achievement separate from others, which is ideal for a specialist or individual contributor. However, a manager is a generalist who gets things done through other people. Spending time building relationships is key. A desire to be an individual winner may cause you to compete with your people, rather than to develop their skills. You would not succeed as a lone achiever who does not facilitate and coordinate others, which is the primary job of a manager. If you checked 3 or fewer as "Mostly True" answers, your basic orientation is good. If you scored 6 or higher, your focus may be on being an individual winner. You will want to shift your perspective to become an excellent manager.

"In the late 1980s, it seemed inconceivable that Bon Jovi would last five years," wrote one music historian. Yet more than three decades after the rock group was founded, it is still one of the world's top-selling bands. Bon Jovi has been inducted into the Rock and Roll Hall of Fame, and Jon Bon Jovi regularly shows up on *Forbes* list of "America's Wealthiest Celebrities." The band has been so successful partly because its lead singer and namesake is a consummate manager. For example, as the group prepared for the launch of a recent tour, Jon Bon Jovi was hidden away in the arena for days, managing a tightly coordinated operation similar to setting up or readjusting a production line for a manufacturing business. Yet Bon Jovi is also performing other management activities throughout the year—planning and setting goals for the future, organizing tasks and assigning responsibilities, influencing and motivating band members and others, monitoring operations and finances, and networking inside and outside the organization. "Jon is a businessman," said former comanager David Munns. "He knows how to have a great-quality show, but he also knows how to be efficient with money."[1]

Being efficient with money is one of the many management skills Bon Jovi also applies as chairman of the JBJ Soul Foundation, a nonprofit he formed in 2006 to combat hunger and homelessness. At the JBJ Soul Kitchen restaurants in New Jersey, people can either make a minimum donation or perform work at the restaurant in exchange for a meal. Bon Jovi implemented procedures to make sure no one knows which diners are paying guests and which are working for their meal. One regular says Bon Jovi and his wife run the place like it's their own kitchen and pitch in to do whatever needs to be done when they come to the restaurant. "They're like everybody else, except with better hair," he said. During the COVID-19 pandemic in 2020, the restaurants shifted to carry-out orders only for people in need, and Bon Jovi's help was needed even more because of the limited number of volunteers. JBJ Soul Kitchen posted a photo on Instagram of Jon washing dishes, with the caption, "If you can't do what you do . . . do what you can!"[2]

Good managers are needed in all types of both business and nonprofit organizations. The nature of management is to motivate and coordinate others to cope with diverse and far-reaching challenges. Managers set up the systems and conditions that help other people perform well. But managing is not easy, and many new managers are surprised by the quantity, variety, and scope of difficulties they encounter. Management missteps can damage an organization.

For example, Travis Kalanick, co-founder and former CEO of Uber, helped the company expand rapidly by applying his bold and competitive management style. However, the aggressive and combative corporate culture that this style instilled ultimately hurt Uber. Deception of government authorities and defiance of regulations around the world, accusations of theft of a rival's technology, and charges of discrimination and sexual harassment damaged Uber's public reputation. Inside the company, workers and managers were fighting against one another rather than working together for the good of the organization. Uber began losing significant market share to competitors in the United States and ceased operating in several countries. In 2018, Dara Khosrowshahi replaced Kalanick as CEO, with one of his primary goals to build a more collaborative culture and repair Uber's reputation.[3] Khosrowshahi faces a tough challenge in maintaining Uber's bold competitiveness while also instilling positive values of caring for and collaborating with others.

The field of management is undergoing a transformation that asks managers to do more with less, to engage employees' hearts and minds as well as their physical energy, to see change rather than stability as natural, and to inspire a vision and cultural values that allow people to create a truly collaborative and productive workplace. This textbook introduces and explains the process of management and the changing ways of thinking about the world that are critical for managers.

Good management matters, as substantiated by a McKinsey Global Institute study. In collaboration with the Centre for Economic Performance at the London School of Economics and partners from Stanford and Harvard Universities, McKinsey collected data over a dozen years from roughly 14,000 organizations in more than 30 countries. The data show that well-managed companies have higher productivity, higher market value, and greater growth, as well as a superior ability to survive difficult conditions.[4] Companies such as Apple, Amazon, and Microsoft amply demonstrate that good management creates and sustains good organizations.[5]

By reviewing the actions of some successful and not-so-successful managers, you can learn the fundamentals of management. By the end of this chapter, you will recognize some

of the skills that managers use to keep organizations on track, and you will begin to understand how managers can achieve astonishing results through people. By the end of this book, you will understand the fundamental management skills for planning, organizing, leading, and controlling a department or an entire organization.

1-1 Management Competencies for Today's World

Management is the attainment of organizational goals in an effective and efficient manner through planning, organizing, leading, and controlling organizational resources, as Jon Bon Jovi does for his rock band and as chairman of the Jon Bon Jovi Soul Foundation. You will learn more about these four basic management functions later in this chapter.

1-1A LEADING-EDGE MANAGEMENT COMPETENCIES

Certain elements of management are timeless, but environmental shifts also influence the practice of management. In recent years, rapid environmental changes have caused a fundamental transformation in what is required of effective managers. Technological advances such as social media and mobile apps, the move to a knowledge/information-based economy, the rise of artificial intelligence, global market forces, the growing threat of cybercrime, and shifting employee and customer expectations have led to a decline in organizational hierarchies and more empowered workers, which calls for a new approach to management that may be quite different from managing in the past.[6] Exhibit 1.1 shows the shift from the traditional management approach to the new management competencies that are essential in today's environment.

Instead of being a *controller*, today's effective manager is an *enabler* who helps people do and be their best.[7] Managers shape the cultures, systems, and conditions of work and then give people the freedom to move the organization in the direction

> *"I was once a command-and-control guy, but the environment's different today. I think now it's a question of making people feel they're making a contribution."*
>
> —JOSEPH J. PLUMERI, FORMER CHAIRMAN AND CEO OF WILLIS GROUP HOLDINGS

EXHIBIT 1.1 Management Competencies for Today's World

Management Principle	From Traditional Approach	To New Competencies
Overseeing Work	From controller	To enabler
Accomplishing Tasks	From supervising individuals	To leading teams
Managing Relationships	From conflict and competition	To collaboration, including use of social media
Leading	From autocratic	To empowering, sometimes bossless
Designing	From maintaining stability	To mobilizing for change

it needs to go. They help people get what they need, remove obstacles, provide learning opportunities, and offer feedback, coaching, and career guidance. Instead of "management by keeping tabs," they employ an empowering leadership style. Much work is done in teams rather than by individuals, so team leadership skills are crucial. Managing relationships based on authentic conversation and collaboration is essential for successful outcomes.

Also, as shown in Exhibit 1.1, today's best managers are "future-facing." That is, they design the organization and culture to anticipate threats and opportunities from the environment, challenge the status quo, and promote creativity, learning, adaptation, and innovation. Industries, technologies, economies, governments, and societies are in constant flux, and managers are responsible for helping their organizations navigate through the unpredictable with flexibility and innovation.[8]

Managers in all types of organizations are learning to apply the new management skills and competencies, and you will encounter some of them throughout this textbook. For example, today's sports teams reflect the shift toward new management ideas. **In 2018, the New York Mets, the Washington Nationals, and the Boston Red Sox all replaced their team managers with younger, gentler leaders who demonstrated an ability to connect personally with players and to create a positive, nurturing, relationship-oriented environment. "It speaks to the importance of the personal qualities—communication, collaboration—as opposed to just what's going on on the field," said Mets' former general manager Sandy Alderson, who is now a senior advisor with the Oakland A's. Alderson emphasizes that for today's team managers, a commitment to fostering relationships is "one of the most important aspects of the job description." Seattle Mariners manager Scott Servais agrees. Servais made a commitment to speak individually with each player every day, usually about something other than baseball. Many teams are also doing away with the traditional approach of yelling at players in favor of a softer, more caring method of motivation and correction.[9]**

A similar approach is also being used more often in other types of organizations. Research has found that the "drill sergeant approach" doesn't go over well with many of today's employees, so managers in all types of organizations are using a softer, more collaborative style of management.

The shift to a new way of managing isn't easy for traditional managers who are accustomed to being "in charge," making all the decisions, and knowing where their subordinates are and what they're doing at every moment. Even more changes and challenges are on the horizon for organizations and managers. This is an exciting and challenging time to be entering the field of management. Throughout this book, you will learn much more about the new workplace, about the new and dynamic roles that managers are playing in the twenty-first century, and about how you can be an effective manager in a complex, ever-changing world.

1-1B THE TREND TOWARD BOSSLESSNESS

A few organizations are even experimenting with a bossless design that turns management authority and responsibility over to employees. At least 18 organizations around the world, including French automotive components manufacturer FAVI; tomato processor Morning Star, based in Woodland, California; and Spain's diversified Mondragon Corporation, are operated as primarily bossless workplaces.[10] Although some management and human resource (HR) professionals and scholars question whether the bossless trend will last for long,[11] it is interesting to note that some of these companies have been operating without traditional bosses for decades. When Jean-François Zobrist took over as CEO of FAVI in 1983, he eliminated two things: the personnel department and the bosses. At FAVI, team spirit and autonomy are leading goals, and people on the front lines work directly with one another and with customers without someone looking over their shoulders.[12]

One reason for the trend toward bossless design is that how and where work gets done has shifted in major ways now that new technology enables people to work from home or

other locations outside a regular office. Many bossless companies, such as Valve Corporation, a leader in the PC gaming market, and Peakon, a maker of human resources and employee engagement software, operate in technology-related industries. Even so, companies as diverse as W.L. Gore & Associates (best known for Gore-Tex fabrics), Whole Foods Market (super-markets), and Semco (diversified manufacturing) have succeeded with bossless structures.[13]

One particularly interesting example of bosslessness is tomato processor Morning Star. **Many people are surprised to learn that the world's largest tomato processor is a company that has no titles or promotions, no hierarchy, and no managers. Morning Star, where 400 or so employees (called colleagues) produce more than $700 million in annual revenue, relies on contract-style agreements called Colleague Letters of Understanding (CLOUs). If someone needs an expensive piece of equipment to fulfill her CLOU, she can buy it without seeking permission. Similarly, if a colleague needs an additional worker, he can go ahead and hire one. People negotiate responsibilities and compensation with their peers and are expected to consult widely with colleagues before making major decisions. Everyone goes through training to learn how to work effectively as part of a team; how to handle the responsibilities of "planning, organizing, leading, and controlling" that are typically carried out by managers; how to balance freedom and accountability; how to understand and effectively communicate with others; and how to manage conflicts. "Around here," one colleague said, "nobody's your boss and everybody's your boss."[14]**

A bossless work environment can have many advantages, including increased flexibility, greater employee initiative and commitment, and better and faster decision making. However, bossless work environments also present new challenges. Costs may be lower because of reduced overhead, but money must be invested in ongoing training and development for employees so that they can work effectively within a bossless system. The culture also must engage employees and support the nonhierarchical environment.[15]

Remember This

- Managers get things done by coordinating and motivating other people.
- **Management** is defined as the attainment of organizational goals in an effective and efficient manner through planning, organizing, leading, and controlling organizational resources.
- Turbulent environmental forces have caused a significant shift in the competencies required for effective managers.
- Traditional management competencies include a command-and-control leadership style, a focus on individual tasks, and a standardization of procedures to maintain stability.

- New management competencies include being an enabler rather than a controller, using an empowering leadership style, encouraging collaboration, leading teams, and mobilizing for change and innovation.
- Several Major League Baseball teams, including 2019 World Series champions the Washington Nationals, have hired new managers who demonstrate some of the new management competencies.
- A number of companies are experimenting with a bossless organization design that turns authority and responsibility over to people throughout the organization.

1-2 The Basic Functions of Management

Every day, managers solve difficult problems, turn organizations around, and achieve astonishing performances. To be successful, every organization needs good managers. The famed management theorist Peter Drucker (1909–2005), often credited with creating the modern

EXHIBIT   1.2   What Do Managers Do?

1. **Set Objectives**
Establish goals for the group and decide what must be done to achieve them

2. **Organize**
Divide work into manageable activities and select people to accomplish tasks

3. **Motivate and Communicate**
Create teamwork via decisions on pay, promotions, etc., and through communication

4. **Measure**
Set targets and standards; appraise performance

5. **Develop People**
Recognize the value of employees and develop this critical organizational asset

SOURCE: Based on "What Do Managers Do?", *The Wall Street Journal Online,* http://guides.wsj.com/management/developing-a-leadership-style/what-do-managers-do/ (accessed August 11, 2010), article adapted from Alan Murray, *The Wall Street Journal Essential Guide to Management* (New York: Harper Business, 2010).

> *"Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them."*
>
> —PAUL HAWKEN,
> ENVIRONMENTALIST, ENTREPRENEUR, AND
> AUTHOR OF *NATURAL CAPITALISM*

study of management, summed up the job of the manager by specifying five tasks, as outlined in Exhibit 1.2.[16] In essence, managers set goals, organize activities, motivate and communicate, measure performance, and develop people. These five manager activities apply not only to top executives such as Jeff Bezos at Amazon, Mary Barra at General Motors, and Kenneth Frazier at Merck, but also to the manager of a restaurant in your hometown, the leader of an airport security team, a supervisor at a Web hosting service, and the director of sales and marketing for a local business.

The activities outlined in Exhibit 1.2 fall into four fundamental management functions: planning (setting goals and deciding activities), organizing (organizing activities and people), leading (motivating, communicating with, and developing people), and controlling (establishing targets and measuring performance). Depending on their job situation, managers perform numerous and varied tasks, but they all can be categorized within these four primary functions.

Exhibit 1.3 illustrates the process in which managers use resources to attain organizational goals through the functions of planning, organizing, leading, and controlling. Chapters of this book are devoted to the multiple activities and skills associated with each function, as well as to the environment, global competitiveness, and ethics that influence how managers perform these functions.

1-2A PLANNING

Planning means identifying goals for future organizational performance and deciding on the tasks and use of resources needed to attain them. In other words, managerial planning defines where the organization wants to be in the future and how to get there. A good

EXHIBIT **1.3** The Process of Management

Management Functions

```
                    Planning
                Select goals and
               ways to attain them

    Controlling                        Organizing
   Monitor activities                    Assign
   and make corrections          responsibility for task
                                    accomplishment

                     Leading
                  Use influence to
                 motivate employees
```

Resources
■ Human
■ Financial
■ Raw materials
■ Technological
■ Information

Performance
■ Attain goals
■ Products
■ Services
■ Efficiency
■ Effectiveness

example of planning comes from General Electric (GE), where managers sold divisions such as plastics, insurance, and media to focus company resources on four key business areas: energy, aircraft engines, health care, and financial services.[17]

Concept Connection

John Stonecipher finds that as the president and CEO of Guidance Aviation, a high-altitude flight school in Prescott, Arizona, his job involves all four management functions. Once he's charted the course for the operation (**planning**) and put all the necessary policies, procedures, and structural mechanisms in place (**organizing**), he supports and encourages his 50-plus employees (**leading**) and makes sure that nothing falls through the cracks (**controlling**). Thanks to his strengths in all of these areas, the U.S. Small Business Administration named Stonecipher a National Small Business Person of the Year.

Don Bartletti/Getty Images

1-2B ORGANIZING

Organizing typically follows planning and reflects how the organization tries to accomplish the plan. **Organizing** involves assigning tasks, grouping tasks into departments, delegating authority, and allocating resources across the organization. The "Creating a Greener World" feature describes how the Coca-Cola Company is allocating some of its resources to benefit communities and help preserve the natural environment. As an another example, GE used to relocate senior executives every few years to different divisions so that they developed a broad, general expertise. In line with the strategic refocusing described earlier, the company now keeps people in their business units longer so they can gain a deeper understanding of the products and customers within each of the four core businesses.

SNAPSHOT

In recent years, organizations as diverse as IBM, the Catholic Church, Estée Lauder, and the Federal Bureau of Investigation (FBI) have undergone structural reorganization to accommodate their changing plans.

Creating a Greener World

A Local Market in a Box Can a huge corporation that is frequently targeted by environmental activists be a force for social good? Coca-Cola managers believe so. The company has set specific goals to improve the well-being of the communities in which it operates, achieve water neutrality in its products and production, and empower women entrepreneurs. One tangible project is the Ekocenter, an off-the-grid, modular "community market in a box." At the Ekocenter, customers can charge their mobile devices, send a fax, access the Internet, pick up educational materials on hygiene and health issues, and buy basic products. Each Ekocenter has solar panels that provide consistent power and reduce the facility's environmental footprint. The general manager of the Ekocenter project explains the need for thinking green: "We only have one planet and we are using it like there's five of them," he said.

Karolina Grabowska/Pexels

Source: Based on Donna Berry, "Coca-Cola's Ekocenter Empowers Disadvantaged Communities Through Social Enterprise," *Food Business News* (April 17, 2018), https://www.foodbusinessnews.net/articles/11662-coca-colas-ekocenter-empowers-disadvantaged-communities-through-social-enterprise (accessed January 8, 2019); and Eric J. McNulty, "Teaching the World to Do More Than Sing," *Strategy + Business* (September 8, 2015), http://www.strategy-business.com/article/00358?gko=a9ace (accessed February 15, 2016).

1-2c LEADING

SNAPSHOT

Leading is the use of influence to motivate people to achieve organizational goals. Leading means creating a shared culture and values, communicating goals to people throughout the organization, and infusing employees with the desire to perform at a high level. **When he was CEO of Fiat Chrysler Automobiles, Sergio Marchionne spent about two weeks a month in Michigan meeting with executive teams from sales, marketing, and industrial operations to talk about his plans and motivate people to accomplish ambitious goals for Chrysler. Rather than taking an office in the 15th-floor executive suite at Chrysler headquarters, Marchionne provided more hands-on leadership from an office close to the engineering center.**[18]

But you don't have to be a top manager of a big corporation to be an exceptional leader. Many managers working quietly in both large and small organizations around the world provide strong leadership within departments, teams, nonprofit organizations, and small businesses.

1-2d CONTROLLING

Controlling is the fourth function in the management process. **Controlling** means monitoring employees' activities, determining whether the organization is moving toward its goals, and making corrections as necessary. One trend in recent years is for companies to place

less emphasis on top-down control and more emphasis on training employees to monitor and correct themselves. However, the ultimate responsibility for control still rests with managers.

For example, the co-founders of Instagram realized they needed someone to help them maintain order and avoid wasting time and resources as the company expanded. When Marne Levine was hired as chief operating officer (COO), the photo-sharing app company didn't even have a budget. Managers leading the various teams didn't communicate regularly about their spending, so different teams were adding new employees and making other resource commitments without coordinating their efforts. Creating a formal budget so Instagram managers could keep track of spending as the company grew was one of Levine's first tasks. The enhanced control enabled Instagram to launch new features more rapidly and deal with growing competition from Snapchat.[19]

Remember This

- Managers perform a wide variety of activities that fall within four primary management functions.
- **Planning** is the management function concerned with defining goals for future performance and how to attain them.
- **Organizing** involves assigning tasks, grouping tasks into departments, and allocating resources.

- **Leading** means using influence to motivate employees to achieve the organization's goals.
- **Controlling** is concerned with monitoring employees' activities, keeping the organization on track toward meeting its goals and making corrections as necessary.
- One of Marne Levine's first tasks as COO at Instagram was to create the company's first formal budget.

1-3 Organizational Performance

The definition of management also encompasses the idea of attaining organizational goals in an efficient and effective manner. Management is so important because organizations are so important. In an industrialized society where complex technologies dominate, organizations bring together knowledge, people, and raw materials to perform tasks that no individual could do alone.

Our formal definition of an **organization** is a social entity that is goal-directed and deliberately structured. *Social entity* means being made up of two or more people. *Goal directed* means designed to achieve some outcome, such as make a profit (Target Stores), win pay increases for members (United Food & Commercial Workers), meet spiritual needs (Lutheran Church), or provide social satisfaction (college sorority Alpha Delta Pi). *Deliberately structured* means that tasks are divided, and responsibility for their performance is assigned to organization members. This definition applies to all organizations, including both for-profit and nonprofit ones. Small, offbeat, and nonprofit organizations are more numerous than large, visible corporations—and just as important to society.

Do managers really make a difference? To some, it might seem that managers have little to do with the "real work" that goes on in an organization. Management work is often intangible and unseen and is thus easy to undervalue.[20] Yet without good management, no organization can achieve operational excellence—an outcome that is a challenge for many companies. Consider the fall of WeWork, a company that sublets office space. WeWork was considered one of the most promising start-ups in the United States in the early 2010s. But in 2019, the company turned out to be worth $40 billion less than its presumed value. Senior leaders had done an excellent job at creating hype but they had failed at achieving operational excellence—hence the collapse in value.[21]

It takes solid management throughout an organization to achieve excellence. A study by Nicholas Bloom and John Van Reenen calls attention to the importance of good middle managers to an organization's success. In an experiment with textile factories in India, improved middle management practices were introduced into 20 factories in India, and the results were compared to factories that did not improve management procedures. After just four months of training in better management methods, the 20 factories had cut defects by 50 percent, boosted productivity and output, and improved profits by $200,000 a year.[22]

Other studies also show that good management correlates with high performance.[23] **Tech giants Amazon, Microsoft, and Apple took the top three spots out of 820 firms analyzed in the Drucker Institute's annual Management Top 250 ranking. How did they achieve such high scores? These three companies excelled because of superb management throughout the organization that did almost everything right. Other companies that achieved high rankings across various performance metrics include Google's parent Alphabet, The 3M Company, PepsiCo, Mastercard Inc., Walmart, and Procter & Gamble.[24]** Few companies achieve that level of excellence—because management is harder than it looks.

Based on our definition of management, the manager's responsibility is to coordinate resources in an effective and efficient manner to accomplish the organization's goals. Organizational **effectiveness** is the degree to which the organization achieves a *stated goal* or succeeds in accomplishing what it tries to do. Organizational effectiveness means providing a product or service that customers value. Organizational **efficiency** refers to the amount of resources used to achieve an organizational goal. It is based on how much raw material, money, and people are necessary for producing a given volume of output. *Efficiency* can be defined as the amount of resources used to produce a product or service. Efficiency and effectiveness can both be high in the same organization.

Many managers are using mobile apps to increase efficiency, and in some cases, the apps can enhance effectiveness as well.[25] **For example, Square has revolutionized small business by enabling any smartphone to become a point-of-sale (POS) terminal that allows the user to accept credit card payments. Millions of small businesses and entrepreneurs in the United States and Canada who once had to turn customers away because they couldn't afford the fees charged by credit card companies can now use Square to process credit cards. Customers get their need to pay with a card met, and businesses get a sale that they might have missed.**

All managers must pay attention to costs, but severe cost cutting to improve efficiency—whether accomplished by using cutting-edge technology or old-fashioned frugality—can sometimes hurt organizational effectiveness. The ultimate responsibility of managers is to achieve high **performance**, which is the attainment of organizational goals by using resources in an efficient *and* effective manner. **Think of what happened when weak sales at music company EMI led managers to focus too heavily on financial efficiency. The severe approach they adopted successfully trimmed waste and boosted operating income, but the efficiencies damaged effectiveness by reducing the company's ability to recruit new artists. The cost-cutting also created internal turmoil that caused some long-term bands to leave the company. Thus, overall performance suffered. After struggling for several years, the century-old music company was split in two and sold for $4.1 billion to Universal Music Group and Sony Corporation.[26]**

Dean Mitchell/E+/Getty Images

Remember This

- An **organization** is a social entity that is goal-directed and deliberately structured.
- Good management is easily underestimated, yet it is vital to organization success.
- **Efficiency** pertains to the amount of resources—raw materials, money, and people—used to produce a desired volume of output.
- **Effectiveness** refers to the degree to which the organization achieves a stated goal.

- Some managers are using mobile apps to increase efficiency; one example is Square, which is used to process credit and debit card payments with a smartphone.
- **Performance** is defined as the organization's ability to attain its goals by using resources in an efficient and effective manner.

1-4 Management Skills

A manager's job requires a range of skills, which can be placed in three categories: conceptual, human, and technical.[27] As illustrated in Exhibit 1.4, the application of these skills changes dramatically when a person is promoted to management. Although the degree of each skill required at different levels of an organization may vary, all managers must possess some skill in each of these important areas to perform effectively.

1-4A TECHNICAL SKILLS

Many managers get promoted to their first management jobs because they have demonstrated understanding and proficiency in the performance of specific tasks, which is referred to as **technical skills**. Technical skills include mastery of the methods, techniques, and equipment involved in specific functions such as engineering, manufacturing, or finance. They also include specialized knowledge, analytical ability, and the competent use of tools and techniques to solve problems in that specific discipline.

EXHIBIT 1.4   Relationship of Technical, Human, and Conceptual Skills to Management
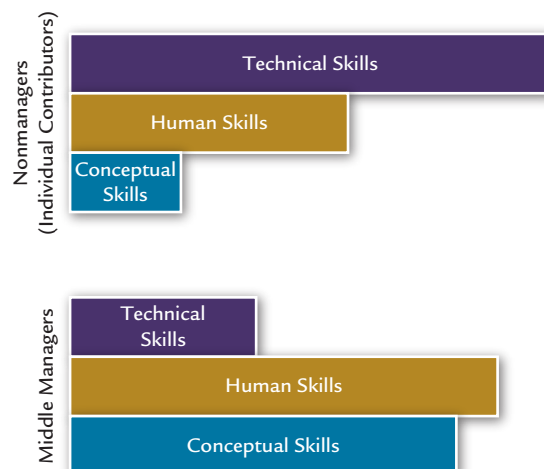
Technical skills are particularly important at lower organizational levels, but they become less important than human and conceptual skills as managers move up the hierarchy. **Indeed, overreliance on technical skills almost derailed Kelly Grier's career with Ernst & Young. Grier had been given a broad management role in Europe and says reliance on her technical skills "gave me undue confidence that my teams would fall into step." They didn't—the local teams resisted her approach and insisted that they should follow their local markets' unique needs. Grier realized she had to manage differently, and she began meeting with local partners and getting helpful ideas for how to best serve clients.**[28]

1-4b HUMAN SKILLS

Human skills encompass the manager's ability to work with and through other people and to work effectively as a group member. Human skills are demonstrated in the way that a manager relates to other people, including the ability to motivate, facilitate, coordinate, lead, communicate, and resolve conflicts. Human skills are essential for frontline managers who work with employees directly on a daily basis. Studies have found that the motivational skill of the frontline manager is the single most important factor in whether people feel engaged with their work and committed to the organization.[29]

Concept Connection

In July 2020, Tesla's CEO and largest shareholder Elon Musk announced that Tesla would do a cross country drive with its all-electric, battery powered Cybertruck. Holding degrees in both physics and economics, Musk certainly possesses his share of **technical skills**. He is also the founder, CEO, and chief designer of aerospace and space transport services company Space X. But it is Musk's stellar **conceptual skills** that enable him to lead the innovative companies that are making these products and services available to people worldwide.

Uber Bilder/Alamy Stock Photo

Human skills are increasingly important for managers at all levels and in all types of organizations.[30] Even at a company such as Google, which depends on technical expertise, human skills are considered essential for managers. When Google analyzed performance reviews and feedback surveys to find out what makes a good manager of technical people, it found that technical expertise ranked low on the list of desired manager qualities, as shown in Exhibit 1.5. The exhibit lists ten effective behaviors of good managers. Notice that almost all of them relate to human skills such as communication, coaching, and teamwork. People want managers who listen to them, build positive relationships, and show an interest in their lives and careers.[31] One study found that human skills were significantly more important than technical skills for predicting manager effectiveness.[32] Another survey compared the importance of managerial skills today with those from the late 1980s and found a decided increase in the role of skills for building relationships with others.[33]

1-4c CONCEPTUAL SKILLS

Conceptual skills include the cognitive ability to see the organization as a whole system and the relationships among its parts. Conceptual skills involve knowing where one's team fits into the total organization and how the organization fits into the industry, the

EXHIBIT **1.5** Google's Rules: Top Ten Behaviors for Managers

To determine how to build better managers, Google executives studied performance reviews, feedback surveys, and award nominations to see what qualities made a good manager. Here are the "Top Ten Behaviors" Google found, in order of importance:

1. Be a good coach.

2. Empower your team and don't micromanage.

3. Create an inclusive team environment, showing concern for success and well-being.

4. Be productive and results-oriented.

5. Be a good communicator and listen to your team.

6. Support career development and discuss performance.

7. Have a clear vision and strategy for the team.

8. Have key technical skills so you can help advise the team.

9. Collaborate across Google.

10. Be a strong decision maker.

SOURCES: Melissa Harrell and Lauren Barbato, "Great Managers Still Matter: The Evolution of Google's Project Oxygen," *Google Blog* (February 27, 2018), https://rework.withgoogle.com/blog/the-evolution-of-project-oxygen/ (accessed January 8, 2019); and Adam Bryant, "Google's Quest to Build a Better Boss," *The New York Times*, March 12, 2011. Courtesy of Google, Inc.

community, and the broader business and social environment. It means the ability to *think strategically*—to take the broad, long-term view—and to identify, evaluate, and solve complex problems.[34]

Conceptual skills are needed by all managers, but especially by managers at the top. Many of the responsibilities of top managers—such as decision making, resource allocation, and innovation—require a broad view. **For example, Ursula Burns, who in 2009 became the first African American woman to lead a major U.S. corporation, needed superb conceptual skills to transform a company once known only for paper copies into a business that could compete effectively in a rapidly changing technology industry. Steering Xerox through a tough economy in a consolidating industry required a strong understanding of not only the company, but also shifts in the industry and the larger environment. After six years as Xerox CEO, Burns stepped down after the company split into two public companies: Conduent, a $7 billion business process outsourcing company, and the new Xerox, an $11 billion stand-alone company focused on document technology.[35]**

1-4D WHEN SKILLS FAIL

Good management skills are not automatic or guaranteed among managers. Particularly during turbulent times, managers really have to stay on their toes and apply all their skills and competencies in a way that benefits the organization and its stakeholders—employees, customers, investors, the community, and so forth. In recent years, numerous highly publicized examples have shown what happens when managers fail to apply their skills effectively to meet the demands of an uncertain, rapidly changing world.

Everyone has flaws and weaknesses, and these shortcomings become most apparent under conditions of rapid change, uncertainty, or crisis.[36] **Consider the diesel emissions scandal at Volkswagen. The company reached management's goals of tripling U.S. sales**

and becoming the world's largest automaker in 2015, but the rapid growth also brought problems. VW's CEO resigned and several other high-level managers were fired after Volkswagen admitted using software in diesel vehicles designed to cheat U.S. emissions tests. Although the top leader said he had no knowledge of the trickery, others suggested that his meticulous attention to every technical detail and the hard-driving culture he created put enormous pressure on managers to meet high goals. A new chief executive, Matthias Müller, guided VW through the worst of the crisis and renewed the company's financial health, but Müller was also forced out as competitive pressures in the auto industry continued to increase. New CEO Herbert Diess is working to reform VW's corporate culture and help the automaker move faster without pushing legal and ethical boundaries.[37]

The numerous ethical and financial scandals of recent years have left many people cynical about business and government managers and even less willing to overlook mistakes. Crises and examples of deceit and greed may grab the headlines, but many more companies falter or fail less spectacularly. Some managers fail to listen to customers, are unable to motivate employees, or can't build a cohesive team. Exhibit 1.6 shows the top ten factors that cause managers to fail to achieve the desired results, based on a survey of managers in U.S. organizations operating in rapidly changing business environments.[38] Notice that many of these factors reflect poor human skills, such as the inability to develop good work relationships, a failure to clarify direction and performance expectations, or an inability to create cooperation and teamwork. The number one reason for manager failure is ineffective communication skills and practices—a shortcoming cited by 81 percent of managers surveyed. Especially in times of uncertainty or crisis, if managers do not communicate effectively, including listening to employees and customers and showing genuine care and concern, organizational performance and reputation will suffer.

EXHIBIT   1.6   Top Causes of Manager Failure

Rank	Cause	Percent
1.	Ineffective communication skills and practices	81%
2.	Poor work relationships/interpersonal skills	78%
3.	Person-job mismatch	69%
4.	Failure to clarify direction or performance expectations	64%
5.	Failure to adapt and break old habits	57%
6.	Breakdown of delegation and empowerment	56%
7.	Lack of personal integrity and trustworthiness	52%
8.	Inability to develop cooperation and teamwork	50%
9.	Inability to lead/motivate others	47%
10.	Poor planning practices/reactionary behavior	45%

SOURCE: Adapted from Clinton O. Longenecker, Mitchell J. Neubert, and Laurence S. Fink, "Causes and Consequences of Managerial Failure in Rapidly Changing Organizations," *Business Horizons* 50 (2007): 145–155, Table 1.

Remember This

- Managers have complex jobs that require a range of abilities and skills.
- **Technical skills** include the understanding of and proficiency in the performance of specific tasks.
- **Human skills** refer to a manager's ability to work with and through other people and to work effectively as part of a group.
- **Conceptual skills** are the cognitive abilities to see the organization as a whole and the relationship among its parts.

- Ursula Burns, former CEO of Xerox, needed superb conceptual skills to transform a company once known only for paper copies into a business that could effectively compete in a rapidly changing technology industry.
- The two major reasons that managers fail are poor communication and poor interpersonal skills.
- A manager's weaknesses become more apparent during stressful times of uncertainty, change, or crisis.

1-5 Challenges Facing New Managers

Many people who are promoted into a managerial position have little idea what the job entails and receive little training about how to handle their new role. It's no wonder that, among managers, first-line supervisors tend to experience the most job burnout and attrition.[39]

Making the shift from individual contributor to manager is often difficult and thorny. Mark Zuckerberg, whose company, Facebook, went public a week before he turned 28 years old, provides an example of the challenge that arises when starting out in the CEO's job. In a sense, the public has been able to watch Zuckerberg "grow up" as a manager. He was a strong individual performer in creating the social media platform and forming the company, but he fumbled with day-to-day management, such as interactions with employees and communicating with people both inside and outside Facebook. Zuckerberg was smart enough to hire seasoned managers, including former Google executive Sheryl Sandberg, and cultivate advisors and mentors who have coached him in areas where he is weak. However, Facebook and Zuckerberg are now watched more closely than ever as they have grappled with one scandal after another in recent years. Facebook was fined $5 billion for missteps with user privacy, including Facebook's conduct with Cambridge Analytica that contributed to Russian interference in the 2016 U.S. presidential election, as well as incidents of hate speech and bullying, combined with slow and inadequate responses from Facebook managers. Zuckerberg, Sandberg, and other managers are struggling to find the right approach to dealing with the multiple crises.[40]

When Harvard professor Linda Hill followed a group of 19 managers over the first year of their managerial careers, she found that one key to success is to recognize that becoming a manager involves more than learning a new set of skills. Rather, becoming a manager means a profound transformation in the way people think of themselves, called *personal identity*, which includes letting go of deeply held attitudes and habits and learning new ways of thinking.[41] Exhibit 1.7 outlines the transformation from individual performer to manager. The individual performer is a specialist and a "doer." His or her mind is conditioned to think

SNAPSHOT

EXHIBIT   1.7   Making the Leap from Individual Performer to Manager

From Individual Identity

Specialist; performs specific tasks

Gets things done through own efforts

An individual actor

Works relatively independently

To Manager Identity

Generalist; coordinates diverse tasks

Gets things done through others

A network builder

Works in highly interdependent manner
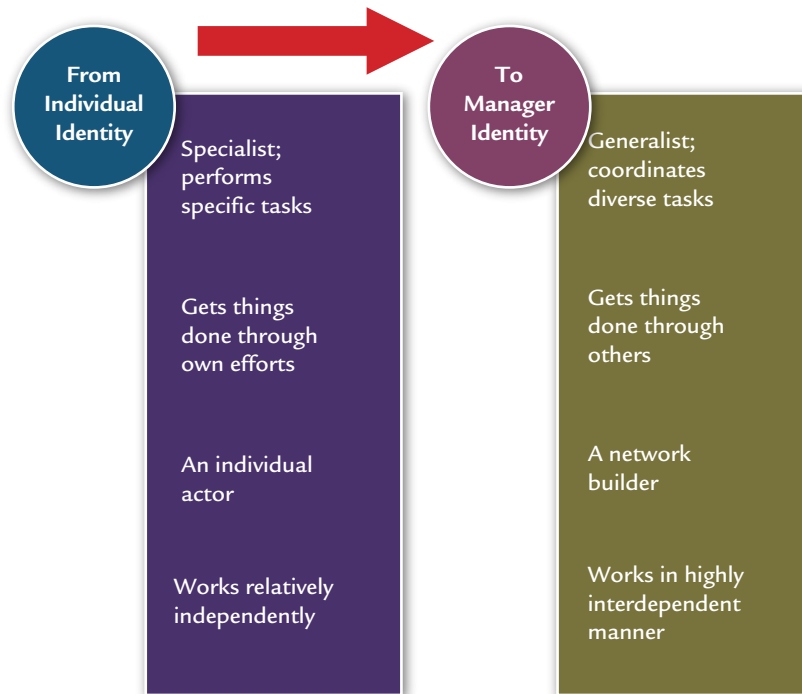
SOURCE: Based on Exhibit 1.1, "Transformation of Identity," in Linda A. Hill, *Becoming a Manager: Mastery of a New Identity*, 2d ed. (Boston, MA: Harvard Business School Press, 2003), p. 6.

in terms of performing specific tasks and activities as expertly as possible. The manager, by contrast, has to be a generalist and learn to coordinate a broad range of activities. While the individual performer strongly identifies with his or her specific tasks, the manager must identify with the broader organization and industry.

In addition, the individual performer gets things done mostly through his or her own efforts and develops the habit of relying on self rather than others. The manager, though, gets things done through other people. Indeed, one of the most common mistakes that new managers make is wanting to do all the work themselves, rather than delegating to others and developing others' abilities.[42] Hill offers a reminder that, as a manager, you must "be an instrument to get things done in the organization by working with and through others, rather than being the one doing the work."[43]

Another problem for many new managers is that they expect to have greater freedom to do what they think is best for the organization. In reality, managers typically find themselves hemmed in by interdependencies. Being a successful manager means thinking in terms of building teams and networks and becoming a motivator and organizer within a highly interdependent system of people and work.[44] Although the distinctions may sound simple in the abstract, they are anything but. Becoming a manager means becoming a new person and viewing oneself in a completely new way.

Many new managers make the transformation in a "trial by fire," learning on the job as they go, but organizations are beginning to be more responsive to the need for new-manager training. The cost to organizations of losing good people who can't make the transition is greater than the cost of providing training to help new managers cope, learn, and grow. In addition, some organizations use great care in selecting people for managerial positions, including ensuring that each candidate understands what management involves and really wants to be a manager.

Remember This

- Becoming a manager requires a shift in thinking from being an individual performer to playing an interdependent role of coordinating and developing others.
- While the individual performer strongly identifies with his or her specific tasks, the manager must identify with the broader organization and industry.
- Because of the interdependent nature of management, new managers often have less freedom and control than they expect to have.
- At Facebook, Mark Zuckerberg hired seasoned managers and advisors to help move the company forward as he struggled with the transition from being an expert individual contributor to handling the demands of managing a growing company.

1-6 What Is a Manager's Job Really Like?

"Despite a proliferation of management gurus, management consultants, and management schools, it remains murky to many of us what managers actually do and why we need them in the first place," wrote Ray Fisman, a Columbia Business School professor.[45] Unless some-one has performed managerial work, it is hard to understand exactly what managers do on an hour-by-hour, day-to-day basis. One answer to the question of what managers do to plan, organize, lead, and control was provided by Henry Mintzberg, who followed managers around and recorded all their activities.[46] He developed a description of managerial work that included three general characteristics and ten roles. These characteristics and roles have been supported by other research.[47]

1-6A MANAGER TYPES

Managers use conceptual, human, and technical skills to perform the four management functions of planning, organizing, leading, and controlling in all organizations—large and small, manufacturing and service, for-profit and nonprofit, traditional and Internet-based. But not all managers' jobs are the same. Managers are responsible for different departments, work at different levels in the hierarchy, and meet different requirements for achieving high performance. A study examined how the manager's job differs across three hierarchical levels.[48]

First-level managers or **supervisory managers** are typically at the first or second levels of management and are directly responsible for the production of goods and services. Their primary focus is on facilitating individual employee performance.

Middle managers work at middle levels of the organization and are responsible for major departments. The focus here is less on individual performance and more on facilitating teams of people, including allocating resources, coordinating teams, and putting top management plans into action.

Top managers are located at the top of the hierarchy and are often called C-level (chief) managers. They are responsible for major organizational divisions as well as the entire organization. Their primary focus is monitoring the external environment and determining the best strategy to be competitive.

Other management types include general managers, functional managers, project managers, line managers, and staff managers.

General managers are responsible for multiple functional departments that constitute a self-contained division with profit and loss responsibility. Examples are a Nordstrom department store or a Honda assembly plant.

Functional managers are responsible for an individual department with a specialized functional task and that has employees with similar training and skills. Functional departments include marketing, production, finance, and human resources.

Project managers are responsible for a temporary work project that involves the participation of people from various functions and levels of the organization. Since projects are usually temporary, members of the team return to their normal jobs when the project is completed.

Line managers are in charge of the functions that directly advance the core work of an organization, such as manufacturing or sales. **Staff managers** are in charge of departments that support the organization's line departments with specialized advisory or support functions, such as legal, accounting, and HR.

Concept Connection

Perhaps one of the best-known leaders in baseball is Billy Beane of the Oakland A's. Before he was promoted to executive vice president of baseball operations in late 2015, Beane served for 17 years as **general manager** of the A's. Beane is famous for finding and developing talented young players who are less expensive to hire than the big names, which allowed Beane to keep his payroll low while still winning six division titles. Beane was the subject of the best-selling book and hit film *Moneyball*.

Dennis Ku/Shutterstock.com

1-6B MANAGER ACTIVITIES

Most new managers are unprepared for the variety of activities that managers routinely perform. One of the most interesting findings about managerial activities is how busy managers are and how hectic the average workday can be.

Adventures in Multitasking

Every manager's job is similar in its diversity and fragmentation.[49] The schedule that follows is a typical morning for an HR manager.[50]

7:00 a.m. Arrives at work. Studies the calendar and visualizes the goals for the day.

7:15 a.m. Meets with the shift supervisor about a sexual harassment complaint.

7:45 a.m. An assistant interrupts to say that the CEO wants to meet about picketers.

8:00 a.m. Checks voice mail and finds seven messages. Forwards four to team members. Returns three calls and leaves voice-mail messages.

8:15 a.m. Meets with a team member to discuss a prospective hire.

8:45 a.m. A team member comes in to complain that an IT report is full of errors. Discussion ensues.

9:00 a.m. E-mail pings with an "urgent" message from a supervisor about an employee who will be absent for the next 30 days.

9:10 a.m. Focuses on reading and returning e-mails. Asks the assistant to schedule a call with the CEO.

9:30 a.m. Explains the picket situation to CEO. Studies the IT report. Confirms errors and writes message to go with the report when it is sent back to IT.

10:00 a.m. Takes a phone call from the HR manager at another company. Schedules a dinner meeting.

10:15 a.m. Back to e-mail.

10:45 a.m. Walks to the canteen for a cup of coffee and a short break. Chats briefly with people in line.

11:00 a.m. Back-to-back short stand-up meetings.

11:30 a.m. Catches up with the VP of Communications.

11:45 a.m. Meets with the team on a new vacation policy draft write-up.

12:15 p.m. Back to e-mail.

12:45 p.m. Heads for a lunch meeting with marketing managers about hiring challenges.

Managerial activity is characterized by variety, fragmentation, and brevity.[51] The widespread and voluminous nature of a manager's tasks leaves little time for quiet reflection. A study by a team from the London School of Economics and Harvard Business School found that the time CEOs spend working alone averages a mere six hours a week. The rest of their time is spent in meetings, on the phone, traveling, and talking with others inside and outside the organization.[52]

Managers shift gears quickly. In his study, Mintzberg found that the average time a top executive spends on any one activity is less than nine minutes, and another survey indicates that some first-line supervisors average one activity every 48 seconds![53]

Take a Moment: Know Yourself

How Do You Manage Your Time?

INSTRUCTIONS: Think about how you normally handle tasks during a typical day at work or school. Read each item and check whether it is Mostly True or Mostly False for you.

	Mostly True	Mostly False
1. I frequently take on too many tasks.	_____	_____
2. I spend too much time on enjoyable but unimportant activities.	_____	_____
3. I feel that I am in excellent control of my time.	_____	_____
4. Frequently during the day, I am not sure what to do next.	_____	_____
5. There is little room for improvement in the way I manage my time.	_____	_____
6. I keep a schedule for events, meetings, and deadlines.	_____	_____
7. My workspace and paperwork are well organized.	_____	_____
8. I am good at recordkeeping.	_____	_____
9. I make good use of waiting time.	_____	_____
10. I am always looking for ways to increase task efficiency.	_____	_____

SCORING AND INTERPRETATION: For questions 3 and 5–10, give yourself one point for each "Mostly True" answer. For questions 1, 2, and 4, give yourself one point for each "Mostly False" answer. Your total score pertains to the overall way that you use time. Items 1–5 relate to taking mental control over how you spend your time. Items 6–10 pertain to some mechanics of good time management. Good mental and physical habits make effective time management much easier. Busy managers have to learn to control their time. If you scored 8 or higher, your time-management ability is good. If your score is 4 or lower, you may want to reevaluate your time-management practices if you aspire to be a manager. How important is good time management to you? See the "Manager's Shoptalk" feature for ideas to improve your time management skills.

Concept Connection

New managers sometimes find themselves over-whelmed by the various activities, multiple responsibilities, long hours, and fast pace that come with management. A manager's **life on speed dial** requires good **time management skills**. Managers must also find ways to maintain a healthy balance between their work and personal lives.

imageFlow/Shutterstock.com

Life on Speed Dial

The manager performs a great deal of work at an unrelenting pace.[54] Managers' work is fast-paced and requires great energy. Most top executives routinely work at least 12 hours a day and spend 50 percent or more of their time traveling.[55] Calendars are often booked months in advance, but unexpected disturbances erupt every day. Mintzberg found that most executives' meetings and other contacts are ad hoc, and even scheduled meetings are typically surrounded by other events such as quick phone calls, scanning of e-mail, or spontaneous encounters. During time away from the office, executives catch up on work-related reading, paperwork, phone calls, and e-mail. Technology, such as e-mail, text messaging, smartphones, tablets, and laptops, has intensified the pace. **Brett Yormark, CEO of the National Basketball Association (NBA) team the Brooklyn Nets, typically responds to about 60 messages before he even shaves and dresses for the day, and employees are accustomed to getting messages that Yormark has zapped to them in the wee hours of the morning.**[56]

Where Does a Manager Find the Time?

With so many responsibilities and so many competing demands on their time, how do managers cope? One manager who was already working 18-hour days five days a week got assigned another project. When the CEO was informed of the problem, he matter-of-factly remarked that by his calculations, she still had "30 more hours Monday through Friday, plus 48 more on the weekend." That is surely an extreme example, but most managers often feel the pressure of too much to do and not enough time to do it.[57] When *The Wall Street Journal*'s "Lessons in Leadership" video series asked CEOs of big companies how they managed their time, it found that many of them carve out time just to think about how to manage their time.[58] Time is a manager's most valuable resource, and one characteristic that

identifies successful managers is that they know how to use time effectively to accomplish the important things first and the less important things later.[59] **Time management** refers to using techniques that enable you to get more done in less time and with better results, be more relaxed, and have more time to enjoy your work and your life. New managers in particular often struggle with the increased workload, the endless paperwork, the incessant meetings, and the constant interruptions that come with a management job. Learning to manage their time effectively is one of the greatest challenges that new managers face. The "Manager's Shoptalk" feature offers some tips for time management.

M A N A G E R ' S Shoptalk

Time Management Tips for New Managers

Stokkete/Shutterstock.com

Becoming a manager is considered by most people to be a positive, forward-looking career move. Indeed, life as a manager offers appealing aspects. However, it also holds many challenges, not the least of which is the increased workload and the difficulty of finding the time to accomplish everything on one's expanded list of duties and responsibilities. The following classic time management techniques can help you eliminate major time-wasters in your daily routines.

- **Keep a To-Do List.** If you don't use any other system for keeping track of your responsibilities and commitments, at the very least you should maintain a to-do list that identifies all the things that you need to do during the day. Although the nature of management means that new responsibilities and shifting priorities occur frequently, it's a fact that people accomplish more with a list than without one.

- **Remember Your ABCs.** This is a highly effective system for prioritizing tasks or activities on your to-do list:

  - An "A" item is something highly important. It *must* be done, or you'll face serious consequences.

  - A "B" item is a *should do*, but consequences will be minor if you don't get it done.

  - "C" items are things that would be nice to get done, but there are no consequences at all if you don't accomplish them.

  - "D" items are tasks that you can delegate to someone else.

- **Schedule Your Workday.** Some experts suggest that every minute spent in planning saves ten minutes in execution. Take your to-do list a step further and plan how you will accomplish each task or project you need to handle. Planning to tackle the big tasks first is a good idea because most people are at peak performance early in the day. Save the e-mails and phone calls for less productive times.

- **Do One Thing at a Time.** Multitasking has become the motto of the early twenty-first century, but too much multitasking is a time-waster. Research has shown that multitasking *reduces*—rather than enhances—productivity. The authors of one study suggest that an inability to focus on one thing at a time could reduce efficiency by 20 to 40 percent. Even for those managers whose jobs require numerous brief activities, the ability to concentrate fully on each one (sometimes called *spotlighting*) saves time. Give each task your full attention, and you'll get more done and get it done better, too.

Sources: Based on information in David Allen, *Getting Things Done: The Art of Stress-Free Productivity* (London: Penguin Books, 2015); Pamela Dodd and Doug Sundheim, *The 25 Best Time Management Tools & Techniques* (Ann Arbor, MI: Peak Performance Press, 2005); Brian Tracy, *Eat That Frog: 21 Great Ways to Stop Procrastinating and Get More Done in Less Time* (San Francisco: Berrett-Koehler, 2002); Joshua S. Rubinstein, David E. Meyer, and Jeffrey E. Evans, "Executive Control of Cognitive Processes in Task Switching," *Journal of Experimental Psychology: Human Perception and Performance* 27, no. 4 (August 2001): 763–797; Sue Shellenbarger, "Multitasking Makes You Stupid: Studies Show Pitfalls of Doing Too Much at Once," *The Wall Street Journal*, February 27, 2003; and Ilya Pozin, "Quit Working Late: 8 Tips," *Inc.* (June 26, 2013), https://www.inc.com/ilya-pozin/8-ways-to-leave-work-at-work.html (accessed January 14, 2020).