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SUPERVISION

Meeting Challenges and Obeying Laws

Starting Point

Go to www.wiley.com/college/nelson to assess your knowledge of supervision. *Determine where you need to concentrate your effort.*

What You'll Learn in This Chapter

- ▲ Different theories and styles of management
- ▲ Current management challenges
- ▲ How to manage employees so they perform at their best
- ▲ State and federal laws that affect supervisors

After Studying This Chapter, You'll Be Able To

- ▲ Construct a management style that works for you and your employees
- ▲ Design ways to meet current challenges that face managers
- ▲ Build a good team by empowering, supporting, and listening to employees
- ▲ Create a work environment that is in compliance with all state and federal laws

INTRODUCTION

One definition describes management as getting things done through others. Another definition more specifically defines management as making something planned happen within a specific area through the use of available resources. Seems simple enough. But why do so many bright, industrious people have trouble managing well?

Unfortunately, good management is a scarce commodity—at once precious and fleeting. Many managers were good workers and promoted to management positions but do not have people skills or the necessary management skills to be as equally successful as a manager. For example, an accountant can be terrific with numbers but not know how to manage people. Despite years of management theory's evolution and the comings and goings of countless management fads, many workers and managers have developed a distorted view of management and its practice, with managers often not knowing the right approach to take, or exactly what to do.

Believe it or not, many managers are never formally trained to be managers. For many, management is just something that's added to your job description. One day you may be a computer programmer working on a hot new web browser, and the next day you may be in charge of the new development team. Before, you were expected only to show up to work and create a product. Now, you're expected to lead and motivate a group of workers toward a common goal. Sure, you may get paid more to do the job, but the only training you may get for the task is in the school of hard knocks.

1.1 Identifying the Different Styles of Management

The earliest theories of management primarily consisted of three different views: (1) the traditional model, (2) the human relations model, and (3) the human resources model. Basically, the only thing these three theories have in common is that each one attempts to construct a single model of motivation that would apply to every employee in every situation. Aside from that, each one provides a very different way of viewing and explaining human behavior in the workplace.

1.1.1 The Traditional Model

The traditional model was the brainchild of Frederick W. Taylor (1856–1915). Taylor and other early scholars are credited with an approach to management known as the scientific management theory. This theory arose in part due to a need to increase worker productivity in the United States at the beginning of the twentieth century, when skilled labor was in short supply. Based on Taylor's research, he believed, among other things, that more efficient workers should be paid higher wages than less-efficient workers. In other words, managers should determine the most efficient way to perform repetitive, on-the-job tasks and then "motivate" workers with a system of wage incentives: the more they produce, the more they earn. The traditional model of motivational theory makes the following assumptions about workers:

- Most people do not like to work.
- Most people will avoid work if at all possible.
- What people do is less important than what they earn for doing it.
- Few people want or can handle work that requires creativity or self-direction.

As you might imagine, this model began to fail as productivity in the United States increased and it took fewer workers to get the job done. As more workers were laid off and as companies began to reduce the size of wage incentives, workers started to demand job security over short-term, minor wage increases.

1.1.2 The Human Relations Model

The human relations model of employee management proposes that the boredom and repetitiveness of many tasks actually reduce employee motivation, whereas social contact helps create and sustain motivation. In other words, managers can motivate their employees by making them feel useful and important. This theory of motivation is attributed to Elton Mayo (1880–1949) and some other associates from Harvard, who developed theories of management that would later be known as the behavior school of management. Mayo was interested in helping managers deal with the "people side" of their organizations. The human relations model of employee motivation assumes the following about workers:

- Workers want to feel important, valued, and useful.
- Workers want to belong and to be recognized as individuals.
- These social needs are more important than money in motivating people to work.

According to the human relations model, workers are expected to accept management's authority because supervisors treat them with consideration and allow them to influence how tasks should be accomplished to a certain extent.

1.1.3 The Human Resources Model

The human resources model is attributed to Douglas McGregor and other theorists, who basically criticized both of the earlier models as being oversimplified and flawed because they focused on just one or two factors of motivation, either money or social relations. McGregor determined that managers have essentially two different sets of assumptions about their employees:

- **Theory X:** The traditional view, which assumes that most people do not like to work and will avoid work whenever possible.
- **Theory Y:** A more optimistic view that assumes that people actually do want to work and that under the right circumstances, they derive a great deal of satisfaction from work.

Theory X Management

Here's the $64,000 question: What is the best way to make something planned happen? Everyone seems to have a different answer to this question. Some people see management as something you do *to* people—not *with* them. Does this type of manager sound familiar? "We're going to do it my way. Understand?" Or perhaps the ever-popular threat: "It had better be on my desk by the end of the day—or else!" If worse comes to worst, a manager can unveil the ultimate weapon, "Mess up one more time, and you're out of here!"

This type of management assumes that people are inherently lazy and need to be driven to perform. Managing by fear and intimidation is always guaranteed to get a response. The question is: Do you get the kind of response that you really want? When you closely monitor your employees' work, you usually end up with only short-term compliance. In other words, you never get the best from others by building a fire under them; you have to find a way to build a fire within them.

Sometimes managers have to take command of the situation. If a proposal has to be shipped out in an hour and your customer just sent you some important changes, take charge of the situation to ensure that the right people are on the task—that is, if you're serious about keeping your customer. When you have to act quickly with perhaps not as much discussion as you would like, however, it's important to apologize in advance and let people know why you're doing things the way you are.

Theory Y Management

At the other end of the spectrum, some people see management as a nice-guy or nice-gal kind of idea. This theory assumes that people basically want to do a good job. In the extreme interpretation of this theory, managers are supposed to be sensitive to their employees' feelings and be careful not to do anything that may disturb their employees' tranquility and sense of self-worth.

"Uh, there's this little problem with your report; none of the numbers are correct. Now, don't take this personally, but we need to consider our alternatives for taking a more careful look at these figures in the future."

Again, managers may get a response with this approach, but are they likely to get the best possible response? No, the employees are likely to take advantage of the managers.

The Ideal Compromise

Good managers realize that they don't have to be tough all the time—and that nice guys and gals often finish first. If your employees are diligently performing their assigned tasks and no business emergency requires your immediate intervention, you can step back and let them do their jobs. Not only do your employees learn to be responsible, but you also can concentrate your efforts on what is most important to the bottom-line success of your organization.

A manager's real job is to inspire employees to do their best and establish a working environment that allows them to reach their goals. The best managers make every possible effort to remove the organizational obstacles that prevent employees from doing their jobs and to obtain the resources and training that employees need to do their jobs effectively.

Bad systems, bad policies, bad procedures, and poor treatment of others are organizational weaknesses that managers must be talented at identifying and repairing or replacing. Build a strong organizational foundation for your employees. Support your people, and they will support you. Time and time again, when given the opportunity to achieve, workers in all kinds of businesses, from factories to venture capital firms, have proven this rule to be true. If you haven't seen it at your place of business, you may be mistaking your employees for problems. Quit squeezing them and start squeezing your organization. The result is employees who want to succeed and a business that flourishes right along with them. Who knows, your employees may even stop hiding when they see you coming their way!

Squeezing employees may be easier than fighting the convoluted systems and cutting through the bureaucratic barnacles that have grown on your organization. You may be tempted to yell, "It's your fault that our department didn't achieve its goals!" Yes, blaming your employees for the organization's problems may be tempting, but doing so isn't going to solve the problems. Sure, you may get a quick, short-lived response when you push your people, but ultimately, you're failing to deal with the organization's real problems.

We all want to "win." The challenge of management is to define winning in such a way that it feels like winning for everyone in the organization. This, of course, is extremely difficult. People are often competing with coworkers for a "piece of the pie" rather than trying to make the pie bigger. It's your job to help make a bigger pie.

Despite what many people want you to believe, management is not prone to simple solutions or quick fixes. Being a manager is not simple. Yes, the best management solutions tend to be common sense; however, turning common sense into common practice is sometimes difficult.

Management is an attitude—a way of life. Management is a very real desire to work with people and help them succeed, as well as a desire to help your organization succeed. Management is a lifelong learning process that doesn't end when you walk out of a one-hour seminar or finish viewing a twenty-five-minute video. Management is a people job. If you're not up to the task of working with people—helping them, listening to them, encouraging them, and guiding them—then you shouldn't be a manager.

SELF-CHECK

1. **Theory Y suggests that people actually like to work and that they derive satisfaction from their jobs under proper conditions. True or false?**
2. **McGregor's later theories of motivation led to participative management. True or false?**
3. **The ________ __________ model of employee management proposes that the boredom and repetitiveness of many tasks actually reduce employee motivation.**
4. **Management is a __________ job.**

1.2 Meeting the Management Challenge

When you're assigned a task in a nonmanagement position, completing it by yourself is fairly simple and straightforward. Your immediate results are in direct response to your effort. To accomplish your task, you first review the task, you decide how best to accomplish it, and then you set schedules and milestones for its successful completion. Assuming that you have access to the tools and resources necessary to accomplish your task, you can probably do it yourself quickly and easily. You're an expert doer—a bright, get-things-done type of person.

However, if you hold a management position, you were probably selected because you proved yourself to be very skilled in the areas that you're now responsible for managing.

When you want to get a task done through someone else, you employ a different set of skills than when you do the task yourself. All of a sudden, because of this simple decision to pass the responsibility for completion of a task on to someone else, you introduce an interpersonal element into your equation: "Oh, no! You mean I have to actually work with people?" Being good technically at your job is not enough—no matter how good your technical skills are. Now you must have good planning, organization, leadership, and follow-up skills. In other words, in addition to being a good doer, you have to be a good manager of doers.

If this challenge isn't already enough, managers today face yet another challenge—one that has shaken the foundations of modern business. The new reality is the partnership of managers and workers in the workplace.

Originally, management was about dividing the company's work into discrete tasks, assigning the work to individual workers, and then closely monitoring the workers' performance and steering them toward accomplishing their tasks on time and within budget. The old reality of management often relied on fear, intimidation, and power over people to accomplish goals. If things weren't going according to management's plan, then management commanded its way out of the problem: "I don't care what you have to do to get it done—just get it done. Now!" The line between managers and workers was drawn clearly and drawn often.

In the new business environment, what's going on inside the organization is a reflection of what's going on outside the organization. The following factors are creating rapid and constant change in today's new business environment:

- A surge of global competition.
- New technology and innovation.
- The flattening of organizational hierarchies.
- Widespread downsizing, reengineering, and layoffs.
- The rise of small business.
- The changing values of today's workers.
- The increasing demands for better customer service.

Sure, managers still have to divide and assign work, but workers are taking on more of that responsibility. Most important, managers are finding out that they can't command their employees' best work—they have to create an environment that fosters their employees' desire to do their best work. In short, the new reality is the partnership of managers and workers in the workplace.

The landscape of business worldwide has changed dramatically during the past couple of decades. If you don't change with it, you're going to be left far behind your competitors. You may think that you can get away with treating your employees like "human assets" or children, but you can't. You can't because your competitors are discovering how to unleash the hidden power of their employees. They're no longer just talking about it; they're doing it!

In business, times are changing. Now that employees have tasted the sweet nectar of empowerment, you can't turn back. Companies that stick with the old way of doing business—the hierarchical, highly centralized model—will lose employees and customers to those companies that use the new ways of doing business and make them a part of their corporate culture. The best employees will leave the old-model companies in droves, seeking employers who treat them with respect and who are willing to grant them greater autonomy and responsibility.

FOR EXAMPLE

Meetings

Meeting the management challenge doesn't necessitate meetings, although a lot of a manager's time is taken up with meetings. According to the experts, managers are attending more meetings than ever. Although meetings take up more than 25 percent of an average business person's time, the figure rises to 40 percent for middle managers and up to a staggering 80 percent for executives. What's even more shocking is that about half of every hour spent in meetings is wasted due to the inefficiency and ineffectiveness of the participants.

SELF-CHECK

1. Name two factors that force businesses to be in a flux of constant and rapid change.
2. The best employees will leave ________-model companies in droves in search for companies that empower them.
3. What's going on in an organization is a reflection of what is going on outside an organization. True or false?

1.3 Explaining the New Functions of Management

Remember the four "classic" functions of management—plan, organize, lead, and control—that you learned in school? These management functions form the foundation from which every manager works. Although these basic functions are fine for taking care of most of your day-to-day management duties, they fail to reflect the new reality of the workplace and the new partnership of managers and workers. What is needed is a new set of management functions that builds upon the four classic functions of management. You're in luck. The sections that follow describe the functions of the new manager in the twenty-first-century workplace.

1.3.1 Trusting Employees

Companies that provide exceptional customer service unleash their employees from the constraints of an overly controlling hierarchy and allow frontline workers to serve their customers directly and efficiently. For example, although many companies devote forests of paper to employee manuals, Nordstrom, Inc., devotes exactly one page to its manual (see Figure 1-1).

Figure 1-1

We're glad to have you with our Company. Our number one goal is to provide outstanding customer service. **Set both your personal and professional goals high.** **Nordstrom Rules:** **Rule #1: Use your good judgement in all situations.** **There will be no additional rules. Please feel free to ask your department manager, store manager, or division general manager any question at any time.**

(Source: *Business and Society Review,* Spring 1993, n85)

Employee manual for Nordstrom, Inc., shows an exceptional amount of trust in employees.

You may think that a small company with five or ten employees can get away with a policy like that, but certainly not a big company like yours. However, Nordstrom is not a small business by any stretch of the imagination—with 50,000 or so employees and more than $5 billion in annual sales.

How does management at a large business like Nordstrom get away with such a policy? They do it through trust.

First, Nordstrom hires good people. Second, the company gives them the training and tools to do their jobs well. Then management gets out of the way and lets the employees do their work. Nordstrom knows that it can trust its employees to make the right decisions because the company knows that it has hired the right people for the job and has trained them well.

That's not saying Nordstrom doesn't have problems—every company does. But Nordstrom has taken a proactive stance in creating the environment that employees most need and want.

Can you say the same for your organization?

When you trust your employees, they respond by being trustworthy. When you recognize them for being independent and responsive to their customers, they continue to be independent and responsive to their customers. And when you give them the freedom to make their own decisions, they make their own decisions. With a little training and a lot of support, these decisions are in the best interest of the company because the right people at the right level of the organization make them.

1.3.2 Energizing Employees

Today's managers are masters of making things happen, starting with themselves. "If it's to be, it's to begin with me." Think of the best managers you know. What one quality sets them apart from the rest? Is it their organizational skills, their fairness, or their technical ability? Perhaps their ability to delegate or the long hours that they keep sets them apart.

Although all these traits may be important to a manager's success, we haven't yet discussed the unique quality that makes a good manager great. The most important management function is to get people excited and inspired, that is, to energize them.

You can be the best analyst in the world, the most highly organized executive on the planet, or fair beyond reproach, but if the level of excitement that you generate can be likened more to that of a dish rag than to that of a spark plug, then you're handicapped in your efforts to create a truly great organization.

Great managers create far more energy than they consume. The best managers are organizational catalysts. Instead of taking energy from an organization, they channel and amplify it to the organization. In every interaction, effective managers take the natural energy of their employees, add to it, and leave the employees in a higher energy state than when they started the interaction. Management becomes a process of transmitting the excitement that you feel about your organization and its goals to your employees in terms that they can understand and appreciate. Before you know it, your employees are as excited about the organization as you are, and you can simply allow their energy to carry you forward.

1.3.3 Empowering Employees

Have you ever worked for someone who didn't let you do your job without questioning your every decision? Maybe you spent all weekend working on a special project only to have it casually discarded by your boss. "What were you thinking when you did this, Elizabeth? Our customers will never buy into that approach!" Or maybe you went out of your way to help a customer, accepting a return shipment of an item against company policy. "Why do you think we have policies—because we enjoy killing trees? No! If we made exceptions for everyone, we'd go out of business!" How did it feel to have your sincere efforts at doing a great job disparaged? What was your reaction? Chances are, you didn't bother making the extra effort again.

Despite rumors to the contrary, when you empower your employees, you do not stop managing. What changes is the way you manage. Managers still provide vision, establish organizational goals, and determine shared values. However, managers must establish a corporate infrastructure—skills training, teams, and so on—that supports empowerment. And although all your employees may not want to be empowered, you still have to provide an environment that supports those employees who are eager for a taste of the freedom to apply their personal creativity and expertise to your organization.

Great managers allow their employees to do great work. This role is a vital function of management, for even the greatest managers in the world can't succeed all by themselves. To achieve the organizations' goals, managers depend on their employees' skills. Effective management is the leveraging of the efforts of every member of a work unit toward a common purpose. If you're constantly doing your employees' work for them, not only have you lost the advantage of the leverage that your employees can provide you, but you're also putting yourself on the path to stress, ulcers, and worse.

However, far worse than the personal loss that you suffer when you don't empower employees is that everyone in your organization loses. Your employees lose because you aren't allowing them to stretch themselves or to show creativity or initiative. Your organization loses the insights that its creative workforce brings with it. Finally, your customers lose because your employees are afraid to provide them with exceptional service. Why should they if they're constantly worried that you will punish them for taking initiative or for pushing the limits of the organization to better serve your customers?

As William McKnight, former CEO of manufacturing giant 3M put it, "The mistakes people make are of much less importance than the mistakes management makes if it tells people exactly what to do."

1.3.4 Supporting Employees

Increasingly, managers must be coaches, colleagues, and cheerleaders for the employees they support. The main concern of today's managers needs to be shaping a more supportive work environment that enables each employee to feel valued and be more productive.

When the going gets tough, managers support their employees. Now, this doesn't mean that you do everything for your employees or make their decisions for them. It does mean that you give your employees the training, resources, and authority to do their jobs, and then you get out of the way. You're always there for your employees to help pick up the pieces if they fall, but fall they must if they're going to learn. The idea is the same as learning to skate: If you're not falling, you're not learning.

The key to creating a supportive environment is establishing trust or openness throughout an organization. In an open environment, employees can bring up questions and concerns. In fact, they're encouraged to do so. When the environment is truly open, an individual can express concerns without fear of retribution. Hidden agendas do not exist, and people feel free to say the same things in business meetings that they'd say after work. When employees see that their managers are receptive to new ideas, they're more likely to feel invested in the organization, and to think of more and better ways to improve systems, to solve problems, to save money, and to better serve customers.

Managers also support each other. Personal fiefdoms, fighting between departments, and withholding information have no place in the modern organization;

companies cannot afford to support these dysfunctional behaviors. All members of the organization—from the top to the bottom—must realize that they play on the same team. To win, team members support each other and keep their coworkers apprised of the latest information.

1.3.5 Communicating with Employees

Without a doubt, communication is the lifeblood of any organization, and managers are the common element that connects different levels of employees with one another. We have seen firsthand the positive effects on a business and its employees of managers who communicate, and the negative effects on a business and its employees of managers who don't. Managers who don't communicate effectively are missing out on a vital role of management. Communication is a key function for managers today. Information is power, and as the speed of business accelerates, information must be communicated to employees faster than ever. Constant change and increasing turbulence in the business environment necessitate more communication, not less. Who's going to be around in five years? The manager who has mastered this function or the one who has not? With the proliferation of email, voice mail, and the other new means of communication in modern business, managers simply have no excuse not to communicate with their employees. You can even use the telephone or try a little old-fashioned face-to-face talk with your employees and coworkers.

To meet the expectations that you set for them, your employees have to be aware of your expectations. A goal is great on paper, but if you don't communicate it to employees and don't keep them up-to-date on their progress toward achieving that goal, how can you expect them to reach it? Simply, you can't. It would be like training for the Olympics but never being given feedback on how you're doing vs. the competition.

Employees often appreciate the little things: an invitation to an upcoming meeting, praise for a job well done, or an insight into the organization's finances. Not only does sharing this kind of information make a business run better, but it also creates tremendous goodwill and cements the trust that bonds your employees to the organization and to the successful completion of the organization's goals.

1.3.6 Learning from Employees

If you're fortunate enough to have had a skilled teacher or mentor during the course of your career, you're treated to an education in management that's equal to or better than any MBA program. You learn firsthand the right and wrong ways to manage people. You learn what it takes to get things done in your organization, and you learn that customer satisfaction involves more than simply giving your customers lip service.

Unfortunately, any organization with good management also has living, breathing examples of the wrong way to manage employees. You know whom we're talking about: the manager who refuses to make decisions, leaving employees and customers hanging. Or the boss who refuses to delegate even the simplest decision to employees. Or the supervisor who insists on managing every aspect of a department—no matter how small or inconsequential. Examples of the right way to manage employees are, regrettably, still few and far between.

You can benefit from the behaviors that poor managers model. When you find a manager who refuses to make decisions, for example, carefully note the impact that the management style has on workers, other managers, and customers. You feel your own frustration. Make a mental note: "I'll never, ever demotivate another person like that." Indecision at the top inevitably leads to indecision within all ranks of an organization, especially when employees are punished for filling the vacuum left by indecisive managers. Employees become confused, and customers become concerned as the organization drifts aimlessly.

Observe the manager who depends on fear and intimidation to get results. What are the real results of this style of management? Do employees look forward to coming to the office every day? Are they all pulling for a common vision and goal? Are they extending themselves to bring innovation to work processes and procedures? Or are they more concerned with just getting through the day without being yelled at? Think about what you would do differently to get the results that you want.

You can always learn something from other managers—whether they're good managers or bad ones.

1.3.7 Improving Your Skills

Perhaps you're familiar with this old saying (attributed to Lao Tze):

> *Give a man a fish, and he eats for a day,*
> *Teach a man to fish, and he eats for a lifetime.*

Such is the nature of managing employees. If you make all the decisions, do the work that your employees are able to do given the chance, and try to carry the entire organization on your own shoulders, you're harming your employees and your organization far more than you can imagine. Your employees never find out how to succeed on their own, and after a while, they quit trying. In your sincere efforts to bring success to your organization, you stunt the growth of your employees and make your organization less effective and vital.

To take advantage of the lessons that you learn, you have to put them into practice. Keep these key steps in mind.

1. **Take the time to assess your organization's problems.** Which parts of your organization work, and which don't? Why or why not? You can't focus on all your problems at one time. Concentrate on a few problems that are the most important, and solve them before you move on to the rest.

2. **Take a close look at yourself.** What do you do to help or hinder your employees when they try to do their jobs? Do you give them the authority to make decisions? Just as important, do you support them when they go out on a limb for the organization? Study your personal interactions throughout your business day. Do they result in positive or negative outcomes?
3. **Try out the techniques that you learn from your reading or from observing other managers at work.** Go ahead! Nothing changes if you don't change first. "If it's to be, it's to begin with me."
4. **Step back and watch what happens.** It's guaranteed that you will see a difference in the way you get tasks done and in the way your customers and employees respond to your organization's needs and goals.

FOR EXAMPLE

Managers Must Improvise

By many measures, Jack Welch is considered to be one of the United States' top business leaders. Welch, who until recently was chair of General Electric, radically transformed his company's culture while dramatically improving its performance—and in the process created some $57 billion in value.

Although Welch did many different things to make the transformation a reality, one of the most telling was his takeover of GE's training facility in Ossining, New York. As Welch realized, designing a new culture is one thing, but getting the word out to employees and making it stick is another thing altogether. By directing the class curricula for all levels of workers, and by personally dropping into the training center every two weeks or so to meet with students, Welch was able not only to determine what message would be communicated to GE employees, but also to ensure that the message was received loudly and clearly. If the employees were confused, they had ample opportunity to ask Welch for clarification.

In a gesture that was at once symbolic and real, Welch directed the ceremonial burning of the old-school GE "Blue Books." The Blue Books were a series of management training manuals that prescribed how GE managers were to get tasks done in the organization. Despite the fact that the use of these books for training had been mothballed for some fifteen years, they still exerted tremendous influence over the actions of GE managers. Citing the need for managers to write their own answers to day-to-day management challenges, Welch swept away the old order by removing the Blue Books from the organization's culture once and for all. Now, GE managers are taught to find their own solutions rather than to look them up in a dusty old book.

SELF-CHECK

1. What is the difference between energizing and empowering employees?
2. When you empower your employees, you do not stop ______.
3. Great managers create far more energy than they consume. True or false?
4. There is nothing you can learn from the bad managers you work with. True or false?
5. To improve your own performance, you should study your personal ________ throughout the business day.
6. To meet the expectations that you set for them, your employees have to be _______ of your expectations.

1.4 Laws That Supervisors Should Be Aware Of

There are numerous federal and state employment laws that managers must obey as they go about the business of making daily, routine management decisions. One of the most important of these laws is **Title VII of the 1964 Civil Rights Act.** This law applies to businesses with fifteen or more employees, including state and local governments. Title VII prohibits employment discrimination based on an individual's sex, race, color, religion, and national origin. Whether writing a job description, placing a help-wanted advertisement in the local newspaper, or conducting a job interview, it is essential that managers have a thorough understanding of Title VII to ensure no employment discrimination of any sort occurs. The **Equal Employment Opportunity Commission (EEOC)** is the federal agency that provides oversight and coordination of Title VII as well as other federal equal employment opportunity (EEO) laws.

In addition to the guidelines the law imposes on the hiring process itself, managers must understand that all matters that are employment related are covered under Title VII. Determining whether to promote or not promote a specific employee, deciding who will and who will not receive a raise in pay, designing work schedules, training schedules, and even administering employee discipline are all management duties that in one way or another will fall under the broad spectrum of Title VII.

1.4.1 Illegal Discrimination

The word *discrimination* has typically gotten a bad rap. When we hear the word, we automatically think of it as something negative or ugly. Truthfully, we discriminate each and every day as we live our lives. For example, deciding which pair of socks to wear when we dress for work or school—or whether to wear any socks at all—is a form of discrimination. When we choose one pair of socks over the other, we are doing so based on some selection criteria that we somehow deem relevant. Will the blue socks look better with the khaki slacks or would black socks look best? Discrimination then is simply about making choices. Title VII does not necessarily prevent hospitality managers from making informed choices in matters of employment; it prevents managers from making *illegal* choices, or decisions that are based on some flawed or illegal selection criteria, such as race, religion, sex, and so forth.

There was a time in our nation's history—roughly thirty years ago—when society felt that certain types of people were best suited for certain types of jobs. A good example comes from our nation's airline industry, a relatively new industry in the grand scheme of things. Airline pilots had to be male, and what were then called stewardesses had to be female. It did not matter whether pilots and copilots were married or single, but stewardesses had to remain single—to get married meant losing one's job. When hiring stewardesses, the airlines were careful to select only those female applicants who were deemed the most attractive. There were strict height and weight requirements, and most airlines required that the stewardess applicant attach both a head-and-shoulders photo as well as a full-body photo to her application. It is not hard to imagine what probably happened to the applications of the less-attractive applicants.

In our more enlightened world today, these hiring practices seem ridiculous and unreasonable. Whereas the estimated 4000 female airline pilots flying today still account for only about 5 percent of all airline pilots, clearly, women are making inroads in the world of aviation. The term *stewardess* has been replaced with the more modern term flight attendant, and anyone who flies today will see that the modern flight attendant comes in all shapes, colors, ages, and sexes. A flight attendant's marital status is also no longer a job qualification.

Changes in employment practices such as these and many others were a result of the enactment of Title VII of the 1964 Civil Rights Act. According to Title VII, choosing one job applicant over another or making other employment decisions based on an individual's sex, race, color, religion, or national origin is illegal. The penalties for illegal discrimination can be severe as well as expensive, and the fallout from such acts can also be a public relations nightmare.

Bona Fide Occupational Qualification

When Title VII was enacted, Congress *did* realize that there would be legitimate occasions when management would need to choose a male applicant over a female applicant, or vice versa. Congress also knew that some positions might require that the job applicant be of specific religion or national origin. Based on these realizations, Congress created what one might call a legal loophole. This loophole is known as **bona fide occupational qualification (BFOQ).** Let's say that a manager of a resort hotel needs to hire a men's locker room attendant. Because of BFOQ, the manager could legally discriminate against any females who might apply for this job. It is important to note that the BFOQ defense is construed narrowly by the courts. Generally, two elements are necessary to qualify: (1) the job in issue must require a worker of a particular sex, religion, or national origin and (2) such requirement must be necessary to the essence of the business operation. BFOQ is not a defense against a claim of racial discrimination.

1.4.2 Sexual Harassment

Sexual harassment is a form of sex discrimination that violates Title VII of the 1964 Civil Rights Act. There are numerous documented incidents in which hotels and restaurants have been fined hundreds of thousands of dollars for engaging in sexual harassment. The EEOC defines sexual harassment as "unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when this conduct explicitly or implicitly affect's an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile or offensive work environment."

Sexual harassment in the workplace generally occurs in one of two ways: A manager or a supervisor—someone in a position of power—sexually harasses an employee by virtue of the power held over that employee. This is known as **quid pro quo** or "this for that" type of harassment. Promising or withholding a raise or a promotion in return for sexual favors is an example of quid pro quo harassment. Another form of sexual harassment is known as creating a **hostile work environment.** This occurs when a manager allows employees to engage in telling dirty jokes or allows employees to circulate offensive pictures, Web sites, or email messages. Allowing employees to make crude or suggestive comments of a sexual nature could also lead to a charge of hostile work environment sexual harassment by another employee.

It is important to note that the harasser's conduct must be unwelcome. It is important for the victim to inform the harasser directly that the conduct is unwelcome and that it must stop. If the unwelcome harassment continues, the victim should use any employer complaint mechanism or grievance system that is available. It is also important that hospitality organizations have a system in place that allows the employee to bypass the supervisor in case the supervisor is also the harasser.

Clearly, supervisors must have well-established guidelines for preventing the sexual harassment of employees. Training is essential, and prevention is usually the best tool to eliminate this unlawful behavior. The EEOC recommends that managers clearly communicate to employees that sexual harassment will not be tolerated. It is important that managers train their employees and clearly define what constitutes sexual harassment.

FOR EXAMPLE

Sexual Harassment Laws

In January 2004, the EEOC settled bias suits with two Florida restaurants that were required to pay over $500,000 in fines for the sexual harassment of female employees. ABC Pizza, a Tampa Bay–area pizza chain, was found guilty of subjecting female employees to a sexually hostile working environment. The EEOC contended that the conduct was created by the restaurant's manager and was primarily directed toward two sisters who were ages sixteen and seventeen at the time they were employed with the company. The manager's conduct included inappropriate touching as well as crude sexual comments. The other Florida case involved a Longhorn Steakhouse where an assistant manager subjected female employees to conduct ranging from hip and lower back touches and breast grabbing to inappropriate verbal comments. The company was forced to pay the three victims $200,000.[1] Both of these companies are now required to conduct annual training on Title VII with emphasis on sexual harassment.

Employees should also be informed about an effective complaint or grievance system that allows victims to come forward and report harassment when it occurs. When an employee does complain, the manager must take immediate and appropriate action, including a fair investigation and disciplinary action when appropriate. As with all other areas of Title VII, managers are prohibited from retaliating against employees who may come forward and report illegal employment practices. Retaliation on the part of management could take various forms. Examples might include cutting an employee's work hours, demoting an employee, disciplining an employee for infractions that are normally overlooked, and transferring an employee to a less-desirable job or a less-desirable location.

1.4.3 The Americans with Disabilities Act

President George H. W. Bush signed the **Americans with Disabilities Act (ADA)** into law in 1990, and the law went into effect in July 1992. This sweeping legislation covers five areas: employment, public transportation, public accommodations, telecommunication services, and public services. Title I governs areas of employment discrimination and is overseen by the EEOC. Our discussion will be focused only on Title I of the ADA—employment issues. Under the provisions of Title I of the ADA, it is illegal to discriminate against people with disabilities in all employment and employment-related issues. The ADA defines a **disabled individual** as "any individual who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment." Protected groups under the ADA include individuals who use wheelchairs, walkers, and so on; individuals who are speech, vision, or hearing impaired; people with mental retardation or emotional illness; individuals with a disease such as cancer, heart disease, asthma, diabetes, or AIDS; and individuals with drug and alcohol problems who are in supervised rehabilitation programs. It is estimated that there are over fifty million Americans who qualify as being disabled under the ADA.

Under the guidelines of the ADA, it is illegal for employers to discriminate against disabled individuals who are otherwise qualified to perform the essential functions of the job, with or without reasonable accommodation, so long as the individual does not pose a threat to the health and safety of others. It is important for hospitality industry managers to understand the importance of clearly determining a position's essential functions.

Accommodating an individual's disability is generally less costly and less intrusive than many managers realize. The EEOC has suggested that most **reasonable accommodations** cost less than $50, and there are many examples of reasonable accommodation that cost absolutely nothing. Minor changes in work duties, procedures, or work schedules, or minor changes in the physical work environment are often all that is required to make a reasonable accommodation. The ADA stipulates that an employer must provide work areas and equipment that are wheelchair accessible unless this is not **readily achievable** (cannot be easily accomplished without great difficulty or expense) or unless it would cause **undue hardship** (this could refer to a financial hardship or a business hardship). Generally, whether something is readily achievable or whether something would cause undue financial hardship is left up to the EEOC to decide.

You are required to provide a reasonable accommodation not only to the disabled applicant for employment but also to employees already on staff who are or who become disabled and cannot perform their original jobs.

1.4.4 Age Discrimination in Employment

To prevent employment discrimination based on an individual's age, in 1967 the U.S. Congress passed the **Age Discrimination in Employment Act (ADEA) of 1967.** This law prohibits discrimination against individuals who are forty years of age and older. The ADEA was amended in 1986 to eliminate rules requiring mandatory retirement ages that were common in many industries. Enforcement of this law is handled by the EEOC, and violations can be time-consuming and costly. As with Title VII, exceptions based on BFOQ are permitted, but they are extremely limited.

1.4.5 Equal Pay Act

To prevent huge disparities in pay and wages between men and women, Congress passed the **Equal Pay Act** in 1963. This law requires businesses to pay equal wages for equal work. Jobs are considered equal when both sexes work at the same place and the job requires substantially the same skill, effort, responsibility, and working conditions. Pay differences based on a seniority or merit system or on a system that measures earnings by quantity or quality of production are permitted. The law is interpreted as applying to "wages" in the sense of all employment-related payments, including overtime, uniforms, travel, and other fringe benefits. The EEOC handles equal pay violations, and the penalties can be severe.

1.4.6 Immigration Reform and Control Act

The **Immigration Reform and Control Act (IRCA) of 1986** was passed to control illegal immigration to the United States. This federal law imposes civil and criminal penalties on employers who knowingly hire illegal aliens. The law is administered by the Department of Homeland Security's U.S. Citizenship and Immigration Service, and penalties against business that knowingly use illegal labor can include fines of up to $10,000 per worker as well as potential criminal charges against the business or its owner. The law requires employers to verify the identity and employment eligibility of all workers hired after November 6, 1986. Hospitality managers accomplish this by requiring all employees to complete Form I-9, Employee Eligibility Verification.

Form I-9 must be kept by the employer either for three years after the date of hire or for one year after employment is terminated, whichever is later. The form must be available for inspection by the authorized U.S. government officials. Currently, the debate in Washington, DC has heated up considerably over the "immigration issue" where some estimate that nearly four million immigrants are in the country illegally. Some members of Congress prefer a new law that would provide many of these immigrants a "pathway to citizenship," whereas others call this route "amnesty" and are calling for the criminalization and deportation of all illegal immigrants.

1.4.7 State and Local Employment Laws

Title VII of the 1964 Civil Rights Act is a federal law, but many states, cities, and towns have enacted their own civil rights and equal employment opportunity laws and have added additional protected classes. For example, some states' and cities' civil rights laws not only make it illegal to discriminate based on race, sex, color, religion, and national origin (Title VII), but they have also included such protected categories as marital status, disability, age, and sexual orientation. A state or local law must be at least as strict as the federal law, but it may also be stricter. It is important to note that the law that is deemed stricter is the one that must be followed. If ever in doubt, the prudent manager will always consult with an attorney who is well versed in federal as well as in any local laws that may apply to matters of employment.

SELF-CHECK

1. Choosing a white applicant over a black applicant because of customer preferences would be in violation of **Title VII of the 1964 Civil Rights Act.** True or false?
2. Title VII impacts only the manager's relationship with job applicants—not with current employees. True or false?
3. The **Americans with Disabilities Act (ADA)** requires that managers hire individuals who are disabled, regardless of the individual's ability to perform the essential functions of the job. True or false?
4. The **Equal Pay Act** prohibits sex discrimination as it relates to pay and salary issues and requires equal pay for equal work. True or false?
5. The **Age Discrimination in Employment Act (ADEA)** prohibits employment discrimination against those who are thirty years of age and over. True or false?
6. **Bona fide occupational qualification (BFOQ)** is a legal defense against discrimination in the areas of sex, religion, and national origin, but the courts ________ construe this defense.

SUMMARY

As a manager, it is important that you are good not only in the technical aspects of your field but also in dealing with others. Empowering, trusting, and supporting your employees are ways you can bring out the best in others and improve your organization.

As a manager, it is also important that you are familiar with employment laws. Employment laws affect virtually every aspect of the employee–employer relationship, so it is important to follow specific guidelines when asking job applicants to fill out applications and when interviewing prospective job candidates.

In this chapter, you assessed different management styles and how to get around management obstacles. You also examined techniques that you can use to build a great team. Finally, you briefly examined the main employment laws that affect you as a supervisor, your employees, and your employee applicants.

KEY TERMS

Age Discrimination in Employment Act of 1967	This law prohibits discrimination against individuals who are forty years of age and older.
Americans with Disabilities Act (ADA)	A federal law that makes it illegal to discriminate against a job applicant or a current employee who is disabled.
Bona fide occupational qualification (BFOQ)	A legal loophole, or a legal defense, to job discrimination based on sex, national origin, or religion. There is no BFOQ defense to racial discrimination.
Disabled individual	The ADA describes a disabled individual as "any individual who has a physical or mental impairment that substantially limits one or more major life activity, has a record of such impairment, or is regarded as having such impairment."
Equal Employment Commission (EEOC) Opportunity	The EEOC is the U.S. government agency charged with overseeing Title VII of the 1964 Civil Rights Act and Title I of the ADA.
Equal Pay Act	The law requires businesses to pay equal wages for equal work without regard to the sex of the employee.
Hostile work environment	An environment that is hostile can be created when management allows employees to tell off-color jokes, send off-color emails, or put up pictures or photos that someone could deem offensive.
Immigration Reform and Control Act	All workers hired after November 6, 1987, must provide proper documentation and complete the Form I-9 to prove that they have the legal right to work in the United States.
Quid pro quo	Latin for "this for that."
Readily achievable	This term is associated with the ADA and generally refers to the adjustment of a task or a physical adjustment to the facility that is easily accomplished without great difficulty or expense.
Reasonable accommodation	Under the ADA, an individual who is disabled but otherwise qualified to perform the essential functions of a job may require a reasonable accommodation. This could be a minor adjustment of the individual's work schedule, an

	adjustment of policy or procedure, or the purchase of a device that would allow the individual to perform the duties of the job.
Sexual harassment	A form of sex discrimination according to Title VII of the 1964 Civil Rights Act.
Theory X	A traditional view of motivation that assumes that employees do not want to work and need to be driven to perform.
Theory Y	A view of motivation that assumes that employees actually enjoy work and derive a great deal of satisfaction from work when the proper conditions are met.
Title VII of the 1964 Civil Rights Act	A federal law that makes it illegal to discriminate against job applicants as well as current employees on the basis of sex, race, color, religion, or national origin.
Undue hardship	A legal defense to the ADA that is generally left up to the interpretation of the courts. It could refer to a financial hardship or a business hardship.

ASSESS YOUR UNDERSTANDING

Go to www.wiley.com/college/nelson to evaluate your knowledge of supervision. *Measure your learning by comparing pre-test and post-test results.*

Summary Questions

1. Title VII of the 1964 Civil Rights Act prohibits job discrimination on the basis of age. True or false?
2. Those who subscribe to the human relations model believe that management can motivate employees by making them feel useful and important. True or false?
3. The rise of small business is one of the factors that creates constant change in the workforce. True or false?
4. Micromanaging employees stunts the growth of the organization. True or false?
5. The U.S. Department of Justice has legal jurisdiction over Title VII of the 1964 Civil Rights Act. True or false?
6. With respect to the I-9 form, acceptable documentation must include which of the following?
   (a) An item from List A, List B, and List C
   (b) An item from List B only
   (c) An item from List A only
   (d) An item from List C only
7. The following statement is true for which model? Managers should determine the most efficient way to perform repetitive, on-the-job tasks and then "motivate" workers with a system of wage incentives.
   (a) Traditional model
   (b) Human relations model
   (c) Theory X
   (d) Human resources model
8. Title VII of the 1964 Civil Rights Act prohibits discrimination based on all of the following *except:*
   (a) race.
   (b) color.
   (c) age.
   (d) national origin.
9. Refusing to hire a female applicant for the position of men's locker room attendant would be a legal defense of Title VII based on:
   (a) reasonable accommodation.
   (b) bona fide occupational qualification (BFOQ).

   (c) essential duties.
   (d) undue hardship.

10. Which of the following individuals would currently *not* be covered under the ADA?
    (a) An individual who is HIV positive or who has AIDS
    (b) An individual who illegally uses drugs
    (c) An individual who is in supervised alcohol rehab
    (d) None of the above
11. It is important to establish openness in an organization. True or false?

Applying This Chapter

1. Eric Holmes has applied for the position of a reservations clerk in your hotel. The individual has no experience, but he types quickly and accurately and has good listening skills as well as a pleasant speaking voice. Eric has very limited eyesight; he is considered to be "legally blind" and is covered under the ADA. Discuss ways in which management in your hotel could accommodate Eric's disability with or without a reasonable accommodation.
2. Review the traditional model of management, the human relations model of management, and the human resources model of management. Which one do you subscribe to and why?
3. How do technology and global competition affect managers and today's business environment?
4. You are the owner of a small accounting firm. You founded the firm without the help of a human resources assistant or a procedure manual. You hire ten employees. What steps can you take to create a supportive and empowering employee environment?
5. Provide examples for ways in which businesses could make a *reasonable accommodation* for each of the following job applicants:
   (a) An applicant for the position of dishwasher who has a hearing disorder
   (b) An applicant for the position of sales manager who is wheelchair bound
   (c) An applicant for the position of server who lacks use of the left arm

YOU TRY IT

Hiring Managers

You are the CEO of a large marketing firm. You are unhappy with your current management staff, and decide to replace five managers. What qualities do you look for in managers and why? Write a list of qualities you would want in your managers.

Sexual Harrassment Policy

Write a sexual harassment policy for a business. Be sure to define both quid pro quo and hostile environment harassment. What steps and procedures should employees take if they feel that they are victims of sexual harassment? What steps should management take when an employee makes a claim of sexual harassment?