



Brad Swonetz/Redux

## Management, Managers, and Careers

### Everyone Needs Management Skills

**Zappos CEO Tony Hsieh believes in happiness. His goal is “to set up an environment where the personalities, creativities, and individuality of all different employees come out and shine.”**

#### Career Readiness – What to Look for **Inside**

##### Thought Leadership

**Analysis > Make Data Your Friend**  
Multiple Generations Meet and Greet in the Workplace

**Choices > Think before You Act**  
Want Vacation? No Problem, Take as much as You Want

**Ethics > Know Right from Wrong**  
Social Media Searches Linked with Discrimination in Hiring

**Insight > Gain Self-Awareness**  
Self-Awareness and the Johari Window

##### Skills Make You Valuable

- **Evaluate Career Situations:**  
What Would You Do?
- **Reflect On the Self-Assessment:**  
Career Readiness “Big 20”
- **Contribute To the Class Exercise:**  
My Best Manager
- **Manage A Critical Incident:**  
Team Leader Faces Test
- **Collaborate On the Team Project:**  
The Amazing Great Job Race
- **Analyze The Case Study:**  
Trader Joe’s: Keeping a Cool Edge

## Chapter Quick Start

Management is part of our everyday lives. We manage ourselves, relationships, teams, and co-workers. And as the world grows more and more complex, it has never been more important to study the fundamentals of management, understand your capabilities, and build critical skills for long-term career success.

### LEARNING OBJECTIVES

- 1.1** Summarize the challenges of developing and maintaining career readiness in the new economy.
- 1.2** Describe what organizations are like as work settings.
- 1.3** Discuss what it means to be a manager.
- 1.4** Explain the functions, roles, and activities of managers.
- 1.5** Summarize how we learn and use essential skills for career success.

Welcome to *Management Fourteenth edition*. The focus is on personal development for career success. We live and work in complex and changing times. Unemployment and job scarcities, financial turmoil and uncertainties, environmental challenges, and complex global economics and politics are regularly in the news. Today's organizations are rapidly changing, as are the economy and the nature of work itself. Talent and technology are core requirements for the most desired jobs. Learning, performance, and flexibility are key individual attributes, while habit, complacency, and free-riding are out. The best employers provide inspiring leadership and supportive work settings full of respect, involvement, teamwork, and rewards.<sup>1</sup> In return, they expect nothing but the best from those who work for them.

## 1.1 Career Readiness Today

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### LEARNING OBJECTIVE 1.1

Summarize the challenges of developing and maintaining career readiness in the new economy.

#### Learn More About

Talent • Technology • Globalization • Ethics • Diversity • Careers and connections

**Career readiness** is a set of skills, competencies, aspirations, and goals that will advance your career, even in a rapidly changing environment.

In her book *The Shift: The Future of Work Is Already Here*, scholar Lynda Gratton challenges us to navigate many dramatic and continuing changes in the world of work. “Technology shrinks the world but consumes all of our time,” she says, “globalization means we can work anywhere, but must compete with people from everywhere.”<sup>2</sup> What does this environment of change and challenge mean for you and your career? Do you realize there's no guarantee of long-term employment? Do you accept that the best jobs have to be earned and continually re-earned everyday through high performance? Do you understand that careers today are more and more defined by “flexibility,” “free agency,” “skill portfolios,” and “entrepreneurship?”

There's no doubt that your success - in a career and in life - will require lots of initiative, self-awareness, resilience, and continuous learning. The question is: Are you ready? Whether your answer is strong “Yes” or a tentative “Maybe,” this book and management course can help strengthen your **career readiness**. Think of this as a set of skills, competencies, aspirations, and goals that will advance your career success, even in a rapidly changing environment.

## Talent

A study by management scholars Charles O'Reilly and Jeffrey Pfeffer found that high-performing companies are better at getting extraordinary results from employees. “These companies have won the war for talent,” they argue, “not just by being great places to work—although they are that—but by figuring out how to get the best out of all of their people, every day.”<sup>3</sup>

People and their talents—what they know, what they learn, and what they achieve—are the foundations of organizational performance. They are what managers call **intellectual capital**, the combined brainpower and shared knowledge of an organization's employees.<sup>4</sup> Intellectual capital is a strategic asset that organizations can use to transform human creativity, insight, and decision making into performance. Intellectual capital also is a personal asset, one to be nurtured and continually updated. It is the package of intellect, skills, and capabilities that sets us apart, and that makes us valuable to potential employers.

Consider the personal implications of this **intellectual capital equation**: Intellectual Capital = Competency × Commitment.<sup>5</sup> What are its insights for career success? **Competency** represents your personal talents or job-related capabilities. Although important, by itself competency won't guarantee success. You have to be committed. **Commitment** represents how hard you work to apply your talents and capabilities to important tasks. Both are essential. It takes competency and commitment to generate intellectual capital.

**Intellectual capital** is the collective brainpower or shared knowledge of a workforce.

**Intellectual capital equation**  
Intellectual Capital = Competency × Commitment.

**Competency** represents your personal talents or job-related capabilities.

**Commitment** represents how hard you work to apply your talents and capabilities to important tasks.

## Analysis: Make Data Your Friend | 72% of college students want “a job where I can make an impact.”

### Multiple Generations Meet and Greet in the New World of Work



Hero/Media Bakery

The changing and diverse mix of ages and attitudes in the workplace is putting pressure on traditional employment practices. Not only is the “9 to 5” job fast becoming a relic, job choices and expectations are bringing new dynamics to the workplace as well. Consider this set of data.

- 60% of new hires change their first jobs after three years and employers spend up to \$25,000 and more recruiting replacements.
- The best predictor of job loyalty for millennials is “a good culture fit.”

- 45% of millennials rate workplace flexibility higher than pay and 71% hope co-workers will become a “second family.”
- 68% of millennials get high scores for being enthusiastic about work, 45% for being team players, and 39% for being hardworking.
- 73% of boomer managers get high scores for being hardworking, 55% for being team players, 21% for flexibility, and 16% for inclusive leadership.
- 72% of college students say they want “a job where I can make an impact.”
- Gen Zers are entering the workforce as a new wave: 72% express desires to start their own businesses, 75% would like to make jobs out of hobbies, and 61% would like to be their own bosses.
- Gen Zers grew up with “native” tech skills but 53% express preferences for face-to-face communication versus e-mail or instant messaging.

#### What are the Implications?

How do these findings compare with your own career preferences or what you hear from people you know? What characteristics and practices define your ideal employer? What can employers do to attract and retain talented while keeping older generations happy? Is what’s good for today’s college graduates necessarily good for everyone? How can managers effectively integrate people with varying needs and interests so employees from different generations work together with respect and pride?

The information age—defined by technology and change—has been dominated by **knowledge workers** whose minds—their creativity and insight—are critical assets.<sup>6</sup> Futurist Daniel Pink says we are advancing to where the premium is focused on “whole mind” competencies. Those who have them will be both “high concept”—creative and good with ideas—and “high touch”—joyful and good with relationships.<sup>7</sup> Test yourself. Do you have the abilities to do well in a **smart workforce** whose members have both technical and human skills, and are good at working together in “communities of action” to solve ever changing problems?<sup>8</sup> Mastering these challenges requires ongoing development of multiple skill sets that will always keep your personal competencies aligned with emerging job trends.

## Technology

Technology continuously tests our talents and enters into every aspect of our lives. And it’s much more than Skype, Twitter, Instagram, Facebook, Whatsapp, Tumblr and the like. Sure we struggle to keep up with our social media, stay connected with messaging, and deal with inboxes full of e-mail. And sure, it is likely that you are reading this “book” in digital rather than in its traditional form. But the most important issue isn’t what has already happened with how we use technology, it’s what things will look like tomorrow. We are entering the **fourth industrial age**, one where the cloud, mobile Internet, automation and robotics, and artificial intelligence are driving forces of change.<sup>9</sup> Are you ready? Do you understand what all this means for your career readiness and future success?”

It is critical to build and to maintain a high **Tech IQ**—the ability to use current technologies at work and in your personal life, combined with the commitment to keep yourself updated as technology evolves. Whether you’re checking inventory, making a sale, ordering supplies,

A **knowledge worker** is someone whose mind is a critical asset to employers.

Members of a **smart workforce** have both technical and human skills, and work in “communities of action” to share tasks and solve problems.

The **fourth industrial age** is unlocking the cloud, mobile Internet, automation and robotics, and artificial intelligence as driving forces of change.

**Tech IQ** is the ability to use technology and to stay updated as technology continues to evolve.

sourcing customers, prioritizing accounts, handling payrolls, recruiting new hires, or analyzing customer preferences, Tech IQ is essential. More and more people spend at least part of their workday “telecommuting” or “working from home” or in “mobile offices.” Workplaces are full of “virtual teams” with members who meet, access common databases, share information and files, make plans and decisions, solve problems together, and complete tasks without ever meeting face to face.

Tech IQ is a baseline foundation for succeeding in today’s smart workforce and it should be center stage in your career readiness. Even finding work and succeeding in the job selection process involves skilled use of technology. Poor communication, sloppy approaches, and under-researched attempts do not work in the world of electronic job search. Filling in your online profile with the right key words does work. Many employers use sophisticated software to scan online profiles for indicators of real job skills and experiences that fit their needs. Most recruiters today also check social media for negative indicators about applicants.

## Globalization

National boundaries hardly count anymore in the world of business.<sup>10</sup> Over 6 million Americans work in the United States for foreign employers.<sup>11</sup> We buy cars from Toyota, Nissan, BMW, and Mercedes that are assembled in America. We buy appliances from the Chinese firm Haier and Eight O’Clock coffee from India’s Tata Group. Top managers at Starbucks, IBM, Sony, Ford, and other global companies really don’t use the words “overseas” or “international” in their vocabulary. They operate as global businesses serving customers around the globe. They source materials and talent wherever in the world it can be found at the lowest cost.

These are some of the consequences of **globalization**, which is the worldwide interdependence of resource flows, product markets, and business competition.<sup>12</sup> Under its influence, government leaders worry about national identities and the competitiveness of nations, just as corporate leaders worry about branding and competitiveness.<sup>13</sup> Today’s global economy connects countries and people in labor markets, trade networks, and financial systems. We increasingly take it for granted that customer service calls may be answered in Ghana, CT scans read by a radiologist in India, and business records maintained by accountants in the Philippines.

Of course, not everyone is happy about globalization. Take the issue of **job migration**, which is the shifting of jobs from one country to another. While the United States has been a net loser to job migration, countries like China, India, and the Philippines have been net gainers. Politicians and policymakers regularly debate the costs of globalization as local jobs disappear and communities lose economic vitality. One side pushes for protectionist government policies to stop job migration and strengthen local employers. The other side calls for patience, arguing that jobs will grow in the long run as the national economy readjusts to global realities.

The flip side of job migration is **reshoring**, which is the shift of manufacturing and jobs back home from overseas. As global manufacturing and transportation costs rise along with worries about intellectual property protection in countries like China, manufacturing firms are doing more reshoring.<sup>14</sup> When Intel announced an expansion of its semiconductor plant in Arizona, an industry analyst said: “The huge advantage of keeping manufacturing in the U.S. is you don’t have to worry about your intellectual property walking out the door every evening.”<sup>15</sup>

## Ethics

It’s old news now that Bernard Madoff was sentenced to 150 years in jail for a Ponzi scheme costing investors billions of dollars. But the message is still timely and crystal clear: Commit white-collar crime and you will be punished.<sup>16</sup> Madoff’s crime did terrible harm to numerous individuals who lost their life savings, charitable foundations that lost millions in gifts, and employees who lost their jobs. Society also paid a large price as investors’ faith in the business system was damaged.

Although high profile, the Madoff scandal was neither a unique nor isolated case of bad behavior. Fresh scandals continue to make the news. And the issues extend beyond criminal

**Globalization** is the worldwide interdependence of resource flows, product markets, and business competition.

**Job migration** occurs when firms shift jobs from a home country to foreign ones.

**Reshoring** occurs when firms move jobs back home from foreign locations.

behavior and into the broader realm of **ethics**—a code of moral principles that sets standards for conduct that is “good” and “right” versus “bad” and “wrong.”<sup>17</sup> At the end of the day we depend on individuals, working at all organizational levels, to behave in ethical ways. Even though ethics failures get most of the publicity, you’ll find many examples of managers who show good moral leadership and integrity. Believing that most CEOs are overpaid, the former CEO of Dial Corporation, Herb Baum, once gave his annual bonus to the firm’s lowest-paid workers.<sup>18</sup> In his book *The Transparent Leader*, he argues that integrity is a key to leadership success and that an organization’s ethical tone starts at the top.

A good indicator of ethics in organizations is the emphasis given to social responsibility and sustainability practices. Patagonia, for example, states its commitment to a *responsible economy* “that allows healthy communities, creates meaningful work, and takes from the earth only what it can replenish.”<sup>19</sup> Another ethics indicator is the strength of **corporate governance**. Think of it as the oversight of top management decisions, corporate strategy, and financial reporting by a company’s board of directors.

**Ethics** set moral standards of what is “good” and “right” in one’s behavior.

**Corporate governance** is the active oversight of management decisions and performance by a company’s board of directors.

## Diversity

The term **workforce diversity** describes the composition of a workforce in terms of gender, age, race, ethnicity, religion, sexual orientation, and able-bodiedness.<sup>20</sup> Members of minority groups now constitute more than one-third of the U.S. population, and women may soon outnumber men in the U.S. workforce.<sup>21</sup> By the year 2050, African Americans, Native Americans, Asians, and Hispanics will be the new majority, and by 2050 the U.S. Census Bureau expects that more than 20% of the population will be at least 65 years old.

Despite these changes, the way we deal with diversity in the workplace remains complicated. Women now lead at least a dozen S&P 500 companies, but they still hold just a small

**Workforce diversity** describes workers’ differences in terms of gender, race, age, ethnicity, religion, sexual orientation, and able-bodiedness.

### Ethics: Know Right from Wrong

Subtleties in social media postings can contribute to discrimination in the recruitment process.

#### Social Media Searches Linked with Discrimination in Hiring



Jakob Helbig/Cultura/Getty Images

It’s no secret that many employers gather information and impressions about job candidates from their social media feeds. It is also well known that inappropriate postings can hurt you. So much so that it’s always wise to double-check and to edit the bad things out of public profiles. But research also suggests that subtleties in social media postings can contribute to discrimination in the recruitment process.

Researchers in one study distributed 4,000 résumés to job posting sites and associated the résumés with Facebook profiles offering subtle cues—background photos and quotes, for example, on the candidates’ religion (Muslim or Christian) and sexuality (gay or straight). Results showed that Muslims (2%) were less likely to be called for follow-up interviews than Christians (17%). Sexuality cues made no significant difference in call-back rates.

It’s against U.S. employment law to use religion or sexuality as hiring criteria, but discrimination based on social media investigations can be unconscious rather than intentional, with the employer showing the bias without realizing it. Other social media cues at risk of discriminatory behavior are photos of women showing pregnancies or children, and applicants with names often associated with ethnic, racial, or religious communities.

#### Where Do You Stand?

Privacy settings are intended to shield from public consumption information intended only for friends. But does this go far enough to protect individual privacy? Is it ethical for employers to use social media to “peek” at the personal lives of prospective candidates? Should there be strict laws preventing them from doing so? What about individual responsibility? Shouldn’t job seekers already be informed enough to rigorously screen out potentially harmful and discriminatory information? Are job seekers at fault if negative consequences result when they don’t? How about it, is it time for you to conduct a personal social media review and edit?

The **leaking pipeline problem** occurs when women face obstacles that cause them to drop out of upward career paths.

**Prejudice** is the display of negative, irrational attitudes toward people who are different from us.

**Discrimination** actively denies minority members the full benefits of organizational membership.

The **glass ceiling effect** is an invisible barrier limiting career advancement of women and minorities.

**Implicit bias** or **unconscious bias** is an embedded prejudice that is largely unconscious and that results in the discriminatory treatment of others.

A **shamrock organization** operates with a core group of full-time long-term workers supported by others who work on contracts and part-time.

In a **free-agent and on-demand economy** people change jobs often and take “gigs” on flexible contracts with a shifting mix of employers.

percentage of top jobs in large firms in the United States and worldwide.<sup>22</sup> People of color hold just 11% of executive jobs and African American women hold just 2% of middle management jobs in the Fortune 500.<sup>23</sup> Furthermore, a McKinsey & Co. survey shows that the proportion of management jobs held by women decreases with each step up the corporate hierarchy. This **leaking pipeline problem** occurs when otherwise qualified and high-performing women face obstacles that cause them to drop out of upward career paths.<sup>24</sup>

Why aren't there more women and people of color leading and moving up in organizations? To what extent does diversity bias influence recruitment, selection, and promotion decisions? Even though U.S. laws prevent such practices, the reality is that they still exist. Researchers, for example, have found that résumés with white-sounding first names like Brett receive 50% more responses from employers than equivalent résumés with black-sounding first names such as Kareem.<sup>25</sup> Researchers also note that white leaders are viewed as more successful than minority leaders, and that white leaders are perceived to succeed because of competence while non-white leaders are perceived to succeed despite incompetence.<sup>26</sup>

The stage for diversity bias is set by **prejudice**—which is the display of negative, irrational opinions and attitudes toward people who are different from us. An example is lingering prejudice against working mothers. The nonprofit Families and Work Institute reported that in 2008 67% of men and 80% of women believed that mothers can be good employees.<sup>27</sup> Would there be 100% support for working mothers today? If not, why?

Prejudice becomes active **discrimination** when minorities are unfairly treated and denied the full benefits of organizational membership. How, for example, do you account for a study that sent faux résumés to recruiters and found that the least desirable candidates were women with children?<sup>28</sup> What about a supervisor who refuses to promote a working mother for fear that parenting responsibilities will make it hard for her to do a good job? Such acts of discrimination give rise to the leaking pipeline problem and create the **glass ceiling effect**, an invisible barrier or ceiling that prevents the career advancement of women and minorities.

A troublesome source of workplace discrimination is **implicit bias**, also called **unconscious bias**. It is an embedded prejudice that is largely unconscious but still results in the discriminatory treatment of others. The Kirwan Institute for the Study of Race and Ethnicity says these biases “are activated involuntarily and without an individual’s awareness or intentional control.”<sup>29</sup> In other words, unconscious bias is something we aren't aware of and that affects our decisions and behaviors in ways that we don't realize. According to the Kirwan Institute, implicit biases “develop over the course of a lifetime beginning at a very early age through exposure to direct and indirect messages.”<sup>30</sup>

## Careers and Connections

When the economy is down and employment markets are tight, finding a career entry point can be very difficult. It always pays to remember the importance of online résumés and job searches, and the power of social networking with established professionals. In addition, job seekers should consider internships as pathways to first-job placements. But everything still depends on the mix of skills you can offer a potential employer and how well you communicate those skills. Picture yourself in a job interview. The recruiter asks this question: “What can you do for us?” How do you reply? Your answer can set the stage for your career success . . . or something less.

British scholar and consultant Charles Handy uses the analogy of the **shamrock organization** to highlight the challenges of developing skill portfolios that fit the new workplace.<sup>31</sup> The first leaf in the shamrock is a core group of permanent, full-time employees who follow standard career paths. The number of people in this first leaf is shrinking—and it's shrinking fast.<sup>32</sup> They are being replaced by a second leaf of “freelancers” and “independent contractors” who offer specialized skills and talents on a contract basis, then change employers when projects are completed.<sup>33</sup> Full-time employees are also being replaced by a third leaf of temporary part-timers. They often work without benefits and are the first to lose their jobs when an employer runs into economic difficulties.

The fact is that you will have to succeed in a **free-agent and on-demand economy**, where people change jobs often and take “gigs” on flexible contracts with a shifting mix of

employers over time. They must be carefully maintained and upgraded continuously. All this places a premium on your capacity for **self-management**—being able to assess yourself realistically, recognize strengths and weaknesses, make constructive changes, and manage your personal development. Take a moment to consider the early career survival skills listed here.<sup>34</sup>

- *Mastery*: You need to be good at something; you need to be able to contribute real value to your employer.
- *Networking*: You need to know people and get connected; networking with others within and outside the organization is essential.
- *Entrepreneurship*: You must act as if you are running your own business, spotting ideas and opportunities and pursuing them.
- *Technology*: You have to embrace technology; you have to stay up-to-date and fully utilize all that is available.
- *Marketing*: You need to communicate your successes and progress—both yours personally and those of your work team.
- *Renewal*: You need to learn and change continuously, always improving yourself for the future.

Connections really count in the free-agent economy. They open doors to opportunities and resources that otherwise wouldn't be available. People with connections have access to valuable information about jobs and often get more interviews and better jobs than those without connections. While in the past the best connections may have been limited to people who had gone to the “right” kinds of schools or came from the “right” kinds of families, this is no longer the case. **Social networking** tools—such as LinkedIn, Facebook, and Reddit—that bring together users with similar interests have become a great equalizer. They make connecting much easier and more democratic than ever before. Importantly, they can help you make connections for job searches and career advancement.

**Self-management** is the ability to understand oneself, exercise initiative, accept responsibility, and learn from experience.

**Social networking** is the use of dedicated websites and applications to connect people having similar interests.

## Learning Check

### LEARNING OBJECTIVE 1.1

Summarize the challenges of working in the new economy.

**Be Sure You Can** • describe how intellectual capital, ethics, diversity, globalization, technology, and the changing nature of careers influence working in the new economy • define *intellectual capital*, *workforce diversity*, and *globalization* • explain how prejudice, discrimination, and the glass ceiling can hurt people at work

## 1.2 Organizations

### LEARNING OBJECTIVE 1.2

Describe what organizations are like as work settings.

#### Learn More About

Organizational purpose • Organizations as systems • Organizational performance • Changing nature of organizations

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As pointed out earlier, what happens from this point forward in your career is largely up to you. So, let's start with organizations. In order to make good employment choices and perform well in a career, you need to understand the nature of organizations and recognize how they work as complex systems.

## Organizational Purpose

An **organization** is a collection of people working together to achieve a common purpose.

An **organization** is a collection of people working together to achieve a common purpose. It enables its members to perform tasks far beyond any single individual. This description applies to organizations of all sizes and types from large corporations to small businesses, as well as nonprofit organizations such as schools, government agencies, and community hospitals.

The broad purpose of any organization is to provide goods or services valued to customers and clients. A clear sense of purpose tied to “quality products and services,” “customer satisfaction,” and “social responsibility” can be an important source of organizational strength and performance advantage. IBM’s former CEO, Samuel Palmisano, once said: “One simple way to assess the impact of any organization is to ask the question: How is the world different because it existed?”<sup>35</sup> Whole Foods founder John Mackey answers by saying: “I think that business has a noble purpose. It means that businesses serve society. They produce goods and services that make people’s lives better.” On the Whole Foods website this is stated as a commitment to “Whole Foods—Whole People—Whole Planet.”<sup>36</sup>

## Organizations as Systems

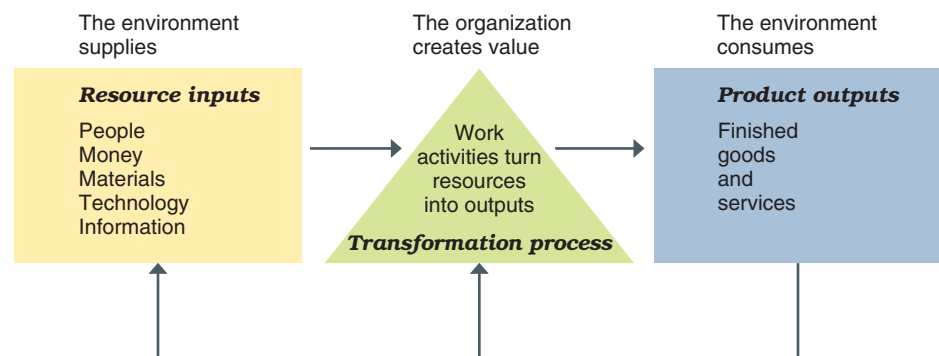
An **open system** transforms resource inputs from the environment into product outputs.

All organizations are **open systems** that interact with their environments. They do so in a continual process of obtaining resource inputs—people, information, resources, and capital—and transforming them into outputs in the form of finished goods and services for customers.<sup>37</sup>

As shown in **Figure 1.1**, feedback from the environment indicates how well an organization is doing and influences future actions. When Starbucks started a customer blog, for example, requests for speedier service popped up. The company quickly made changes that eliminated required signatures on credit card charges less than \$25. Salesforce.com is another company that thrives on feedback. It set up a website called Idea Exchange to get customer suggestions, even asking them at one point to vote on a possible name change—the response was “No!”<sup>38</sup> Gathering and listening to customer feedback is important; without loyal customers, a business can’t survive. When you hear or read about bankruptcies, they are stark testimonies to this fact of the marketplace.

## Organizational Performance

Organizations create value when they use resources to produce good products and take care of their customers. When operations add value to the original cost of resource inputs, then a



**FIGURE 1.1** Organizations as open systems interacting with their environments.

business can earn a profit—selling a product for more than the costs of making it, and a non-profit organization can add wealth to society—providing a public service like fire protection that is worth more than its cost.

One of the most common ways to assess performance is **productivity**. It measures the quantity and quality of outputs relative to the cost of inputs. And as **Figure 1.2** shows, productivity involves both performance effectiveness and performance efficiency.

**Performance effectiveness** is an output measure of task or goal accomplishment. If you are working as a software engineer for a computer game developer, performance effectiveness may mean that you meet a daily production target in terms of the quantity and quality of lines of code written. This productivity helps the company meet customer demands for timely delivery of high-quality gaming products.

**Performance efficiency** is an input measure of the resource costs associated with goal accomplishment. Returning to the gaming example, the most efficient software production is accomplished at a minimum cost in materials and labor. If you produce fewer lines of code in a day than you are capable of, this amounts to inefficiency; if you make lots of mistakes that require extensive rewrites, this is also inefficient work. Inefficiencies drive up costs and reduce productivity.

**Productivity** is the quantity and quality of work performance, with resource utilization considered.

**Performance effectiveness** is an output measure of task or goal accomplishment.

**Performance efficiency** is an input measure of resource cost associated with goal accomplishment.

## Changing Nature of Organizations

Change is a continuing theme in our society, and organizations are no exception. The following list shows some organizational trends and transitions relevant to the study of management.<sup>39</sup>

- *Focus on valuing human capital*: The premium is on high-involvement work settings that rally the knowledge, experience, and commitment of all members.
- *Demise of “command-and-control”*: Traditional top-down “do as I say” bosses are giving way to participatory bosses who treat people with respect.
- *Emphasis on teamwork*: Organizations are becoming less hierarchical and more driven by teamwork that pools talents for creative problem solving.
- *Preeminence of technology*: Developments in computer and information technology keep changing the way organizations operate and how people work.
- *Importance of networking*: Organizations and their members are networked for intense, real-time communication and coordination.
- *New workforce expectations*: A new generation of workers is less tolerant of hierarchy, attentive to performance merit, more informal, and concerned for work–life balance.
- *Concern for sustainability*: Social values call for more attention on the preservation of natural resources for future generations and understanding how work affects human well-being.

		<b>Effective but not efficient</b> • Goals achieved • Resources wasted	<b>Effective and efficient</b> • Goals achieved • No wasted resources <b>High productivity</b>
<b>Goal Attainment</b>	High		
	Low	<b>Neither effective nor efficient</b> • Goals not achieved • Resources wasted	<b>Not effective but efficient</b> • Goals not achieved • No wasted resources
		Poor	Good
		<b>Resource Utilization</b>	

**FIGURE 1.2** Productivity and the dimensions of organizational performance.

## Learning Check

### LEARNING OBJECTIVE 1.2

Describe what organizations are like as work settings.

**Be Sure You Can** • describe how organizations operate as open systems • explain productivity as a measure of organizational performance • distinguish between performance effectiveness and performance efficiency • list several ways in which organizations are changing today

## 1.3 Managers

### LEARNING OBJECTIVE 1.3

Discuss what it means to be a manager.

#### Learn More About

What is a manager? • Levels of managers • Types of managers • Managerial performance • Changing nature of managerial work

In an article titled “Putting People First for Organizational Success,” Jeffrey Pfeffer and John F. Veiga argue forcefully that organizations perform better when they treat their members better.<sup>40</sup> Managers in these high-performing organizations don’t treat people as costs to be controlled; they treat them as valuable strategic assets to be carefully nurtured and developed. So, who are today’s managers and just what do they do?

## What Is a Manager?

You find them in all organizations and with a wide variety of job titles—team leader, department head, supervisor, project manager, president, administrator, and more. We call them **managers**, people who directly support, supervise, and help activate the work efforts and performance accomplishments of others. Whether they are called direct reports, team members, work associates, or subordinates, these “other people” are the essential human resources whose contributions represent the real work of the organization. And as pointed out by management scholar Henry Mintzberg, being a manager remains an important and socially responsible job. “No job is more vital to our society than that of the manager,” he says. “It is the manager who determines whether our social institutions serve us well or whether they squander our talents and resources.”<sup>41</sup>

## Levels of Managers

At the highest levels of organizations we find a **board of directors** whose members are elected by stockholders to represent their ownership interests. In nonprofit organizations such as a hospital or university, this is often called a *board of trustees*, and may be elected by local citizens, appointed by government bodies, or invited by existing members. The basic responsibilities of board members are the same in both business and the public sector—to make sure the organization is well run and managed in a lawful and ethical manner.<sup>42</sup>

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A **manager** is a person who supports, activates, and is responsible for the work of others.

Members of a **board of directors** or board of trustees are supposed to make sure an organization is well run and managed in a lawful and ethical manner.

## Choices: Think before You Act

“We want responsible people who are self-motivating and self-disciplined, and we reward them with freedom.”

### Want Vacation? No Problem, Take as Much as You Want



Gareth Cattermole/Getty Images Entertainment/Getty Images

How about a job with “unlimited” vacation? Sounds unreal, doesn’t it? But don’t be too fast to dismiss the idea. Some fashion-forward employers are already doing it. Netflix is one. The firm prizes what CEO Reed Hastings calls its “freedom and responsibility culture.” One of the things that brings this culture to life is how vacation time is handled. Hastings says this about the Netflix

culture and vacation policy: “We want responsible people who are self-motivating and self-disciplined, and we reward them with freedom. The best example is our vacation policy. It’s simple and understandable: We don’t have one. We focus on what people get done, not on how many days they worked.”

Netflix used to follow what Hastings calls a “standard vacation model,” but finally realized it was just “an industrial era habit.” He wonders why employers should track vacation days when people don’t keep track of the number of hours they work? And he sets the example. “I make sure to take lots of vacation . . .,” says Hastings, “and I do some of my creative thinking on vacation.”

While not common yet, the employer review website Glassdoor identifies a number of “cool companies” that offer unlimited vacation days. The policies vary, but Hubspot, Dropbox, Github, Workday, and KeepTruckin are among the current examples where flexible vacation time is a valued job perk.

#### Your Take?

So, is this approach to vacation time something that more employers should be planning? Is it the next hot thing you’re going to add to your employment “wish list”? What are the risks and limits for employers, if any? How about the “motivation” issues? Would this be a turn-on for you, something that would keep you productive and loyal? If unlimited vacation time is such a good idea, why aren’t more employers doing it?

Common job titles just below the board level are chief executive officer (CEO), chief operating officer (COO), chief financial officer (CFO), chief information officer (CIO), chief diversity officer (CDO), president, and vice president. These **top managers** constitute an executive team that reports to the board and is responsible for the performance of an organization as a whole or for one of its larger parts. They are supposed to set strategy and lead the organization consistent with its purpose and mission. They must pay special attention to the external environment and stay alert to potential long-run problems and opportunities. The best top managers are strategic thinkers who make good decisions under highly competitive and uncertain conditions. A CEO at Procter & Gamble once said the job of top managers is to “link the external world with the internal organization . . . make sure the voice of the consumer is heard . . . shape values and standards.”<sup>43</sup>

Reporting to top managers are **middle managers**, who are in charge of relatively large departments or divisions consisting of several smaller work units. Examples include clinic directors in hospitals; deans in universities; and division managers, plant managers, and regional sales managers in businesses. Job descriptions for middle managers may include working with top managers, coordinating with peers, and supporting lower-level team members to develop and pursue action plans that implement organizational strategies.

A first job in management typically involves serving as a **team leader** or supervisor—someone in charge of a small work group composed of non managerial workers.<sup>44</sup> Typical job titles for first-line managers include department head, team leader, and supervisor. The leader of an auditing team, for example, is a first-line manager, as is the head of an academic department in a university. Even though most people enter the workforce as technical specialists such as engineer, market researcher, or systems analyst, at some point they probably advance to positions of initial managerial responsibility.

**Top managers** guide the performance of the organization as a whole or of one of its major parts.

**Middle managers** oversee the work of large departments or divisions.

**Team leaders** report to middle managers and supervise groups of non-managerial workers.

## Types of Managers

**Line managers** directly contribute to producing the organization's goods or services.

**Staff managers** use special technical expertise to advise and support line workers.

**Functional managers** are responsible for one area, such as finance, marketing, production, personnel, accounting, or sales.

**General managers** are responsible for complex, multifunctional units.

An **administrator** is a manager in a public or nonprofit organization.

Many types of managers comprise an organization. **Line managers** are responsible for work that directly contributes to the organization's outputs. For example, the president, retail manager, and department supervisors of a local department store all have line responsibilities. Their jobs in one way or another are directly related to the sales operations of the store. **Staff managers**, by contrast, use technical expertise to advise and support the efforts of line workers. In a department store chain like Nordstrom or Macy's, the corporate director of human resources and chief financial officer have staff responsibilities.

**Functional managers** have responsibility for a single area of activity such as finance, marketing, production, human resources, accounting, or sales. **General managers** cover many functional areas. An example is a retail store manager who oversees everything from purchasing to sales to human resources to finance and accounting. In public or nonprofit organizations managers may be called **administrators**. Examples include hospital administrators, public administrators, and city administrators.

## Managerial Performance

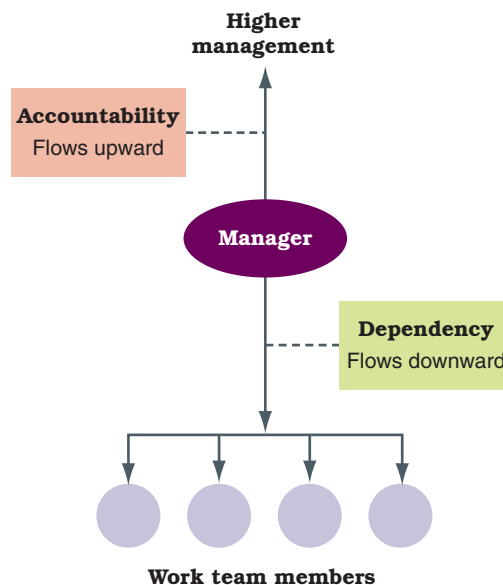
**Accountability** is the requirement to show performance results to a supervisor.

An **effective manager** helps others achieve high performance and satisfaction at work.

**Quality of work life** is the overall quality of human experiences in the workplace.

All managers help people, working individually and in teams, to perform. They do this while being personally accountable for achieving results. Look at **Figure 1.3**. **Accountability** is the requirement of one person to answer to a higher authority for performance in their area of responsibility. As shown in the figure, accountability flows upward. The manager's or team leader's challenge is to fulfill this performance accountability while being dependent on others to do most of the work.

So, what defines excellence in managerial performance? When is a manager "effective"? A good answer is that **effective managers** help others achieve high performance and satisfaction in their work. This dual concern for performance and satisfaction introduces **quality of work life** (QWL) as an indicator of the overall quality of human experiences at work.



**FIGURE 1.3** The Manager's Challenge – Fulfilling Performance Accountability while Dependent on Others to do the Work.

A “high-QWL” workplace offers respect, fair pay, safe conditions, opportunities to learn and use new skills, room to grow and progress in a career, and protection of individual rights and wellness.

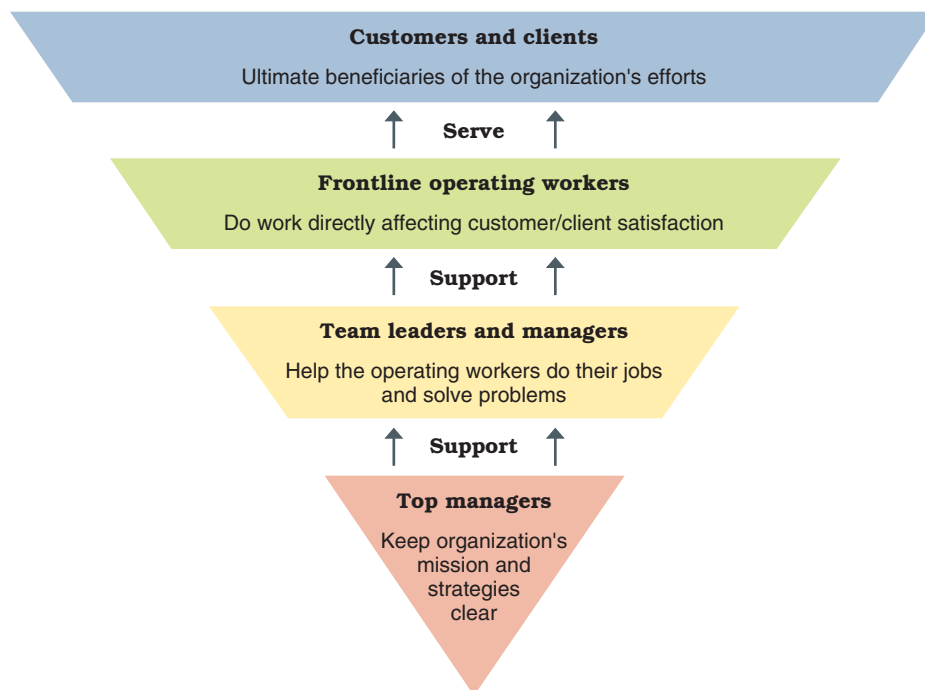
Scholar Jeffrey Pfeffer considers QWL a high-priority issue of human sustainability. Why, he asks, don’t we give more attention to human sustainability and “organizational effects on employee health and mortality”?<sup>45</sup> What do you think? Should managers be accountable for performance accomplishments and human sustainability? Shouldn’t productivity and quality of working life go hand in hand?

## Changing Nature of Managerial Work

When Cindy Zollinger was president and CEO of Cornerstone Research, she directly supervised and more than 20 people. But at the time she said: “I don’t really manage them in a typical way; they largely run themselves. I help them deal with obstacles and making the most of opportunities.”<sup>46</sup> These comments describe a workplace where the best managers are known more for “helping” and “supporting” than for “directing” and “order giving.” The words *coordinator*, *coach*, and *team leader* are heard as often as *supervisor* or *boss*.

The concept of the **upside-down pyramid** shown in **Figure 1.4** fits well with the changing mind-set of managerial work today. Notice that the operating and frontline workers are at the top of the upside-down pyramid, just below the customers and clients they serve. They are supported in their work efforts by managers below them. These managers aren’t just order-givers; they mobilize and deliver the support others need to do their jobs best and serve customer needs. Sitting at the bottom are top managers and C-suite executives; their jobs are to support everyone and everything above them. The upside-down pyramid view leaves no doubt that the entire organization is devoted to serving customers and that the job of managers is to support the workers who make this possible.

The **upside-down pyramid** view of organizations shows customers at the top being served by workers who are supported by managers.



**FIGURE 1.4** The organization viewed as an upside-down pyramid.

## Learning Check

### LEARNING OBJECTIVE 1.3

Discuss what it means to be a manager.

**Be Sure You Can** • describe the various types and levels of managers • define *accountability* and *quality of work life*, and explain their importance to managerial performance • discuss how managerial work is changing today • explain the role of managers in the upside-down pyramid view of organizations

## 1.4

# The Management Process

### LEARNING OBJECTIVE 1.4

Explain the functions, roles, and activities of managers.

#### Learn More About

Functions of management • Managerial roles and activities • Managerial agendas, networks, and social capital

The ultimate “bottom line” in every manager’s job is to help an organization achieve high performance by best utilizing its human and material resources. This is accomplished through the four functions of management in what is called the **management process** of planning, organizing, leading, and controlling.

## Functions of Management

All managers, regardless of title, level, type, and organizational setting, are responsible for the four management functions shown in **Figure 1.5**. These functions are continually engaged as a manager moves from task to task and opportunity to opportunity in his or her work.

**Planning** **Planning** is the process of setting performance objectives and determining what actions should be taken to accomplish them. Through planning, a manager identifies desired results—goals and objectives, and ways to achieve them—action plans.

There was a time, for example, when top management at EY became concerned about the firm’s retention of female professionals.<sup>47</sup> Then-chairman Philip A. Laskawy launched a Diversity Task Force with the planning objective to reduce turnover rates for women. When the task force began its work, this turnover was running at 22% per year, and it cost the firm about 150% of a departing employee’s annual salary to hire and train each replacement. Laskawy considered this unacceptable and put plans in place to improve it.

**Organizing** Once plans are set, they must be implemented. This begins with **organizing**, the process of assigning tasks, allocating resources, and coordinating the activities of individuals and groups to accomplish plans. Organizing is how managers put plans into action by defining jobs and tasks, assigning them to responsible persons, and then providing support such as technology, time, and other resources.

At EY, Laskawy organized and chaired a Diversity Task Force to meet his planning objective. He also established a new Office of Retention and hired Deborah K. Holmes, as global director of corporate responsibility. Holmes’s office was responsible for identifying retention

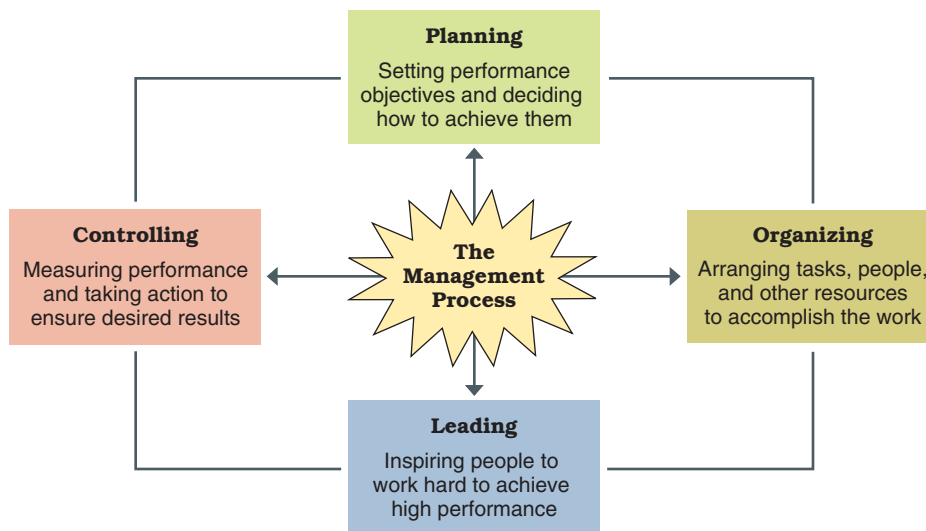
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The **management process** is planning, organizing, leading, and controlling the use of resources to accomplish performance goals.

**Planning** is the process of setting goals and objectives and making plans to accomplish them.

**Organizing** is the process of defining and assigning tasks, allocating resources, and providing resource support.



**FIGURE 1.5** Four functions of management—planning, organizing, leading, and controlling.

problems, creating special task forces to tackle them, and recommend location-specific solutions to the Diversity Task Force.

**Leading** **Leading** is the process of raising enthusiasm and inspiring people to work hard to fulfill plans and accomplish objectives. Managers lead by building commitments to a common vision, encouraging activities that support goals, and influencing others to do their best work on the organization’s behalf.

Deborah K. Holmes actively pursued her leadership responsibilities at EY. She noticed that, in addition to stress caused by intense work at the firm, women often faced more stress because their spouses also worked. She became a champion for improved work–life balance and pursued it vigorously. She started “call-free holidays” where professionals did not check voice mail or e-mail on weekends and holidays (see the Choices feature for a new approach to vacation benefits adopted by some companies.) She started a “travel sanity” program that limited staffers’ travel to four days a week so they could be home for weekends. And, she started a Woman’s Access Program to provide mentoring and career development.

**Controlling** The management function of **controlling** is the process of measuring work performance, comparing results to objectives, and taking corrective action as needed. Managers exercise control by staying in contact with people as they work, gathering and interpreting performance data and using this information to make positive changes. Control is critical to the management process. Things don’t always go as anticipated, and plans must often be modified and redefined to fit new circumstances.

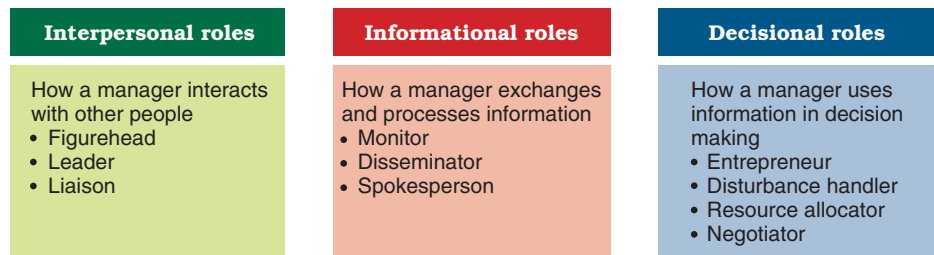
At EY, Laskawy and Holmes documented the firm’s retention rates for women and this gave them a clear baseline so they could track progress. They regularly measured retention rates for women and compared them to the baseline. They were able to identify successes and pinpoint where they needed to further improve their programs. Their data showed that turnover rates for women were reduced at all levels.

**Leading** is the process of raising enthusiasm and inspiring efforts to achieve goals.

**Controlling** is the process of measuring performance and taking action to ensure desired results.

## Managerial Roles and Activities

The management process and its responsibilities for planning, organizing, leading, and controlling are more complicated than they appear at first glance. They must be successfully accomplished during a workday that can be very challenging. In a classic book, *The Nature of Managerial Work*, Henry Mintzberg describes the daily work of CEOs as follows: “There was no break in the pace of activity during office hours. The mail . . . telephone calls . . . and meetings



**FIGURE 1.6** Interpersonal, Informational, and Decisional Roles of Managers

... accounted for almost every minute from the moment these executives entered their offices in the morning until they departed in the evenings.”<sup>48</sup> Today, with our smartphones in hand, we should add always available to “work anytime and anywhere.”

In trying to better understand the complex nature of managerial work, Mintzberg identified a set of roles commonly filled by managers.<sup>49</sup> Shown in **Figure 1.6**, they describe how managers must be prepared to succeed in a variety of interpersonal, informational, and decisional responsibilities.

A manager’s interpersonal roles involve interactions with people inside and outside the work unit. A manager fulfilling these roles will be a *figurehead*, modeling and setting key principles and policies; a *leader*, providing direction and instilling enthusiasm; and a *liaison*, coordinating with others. A manager’s informational roles involve the giving, receiving, and analyzing of information. A manager fulfilling these roles will be a *monitor*, scanning for information; a *disseminator*, sharing information; and a *spokesperson*, acting as official communicator. The decisional roles involve using information to make decisions to solve problems or address opportunities. A manager fulfilling these roles will be a *disturbance handler*, dealing with problems and conflicts; a *resource allocator*, handling budgets and distributing resources; a *negotiator*, making deals and forging agreements; and an *entrepreneur*, developing new initiatives.

Managers must not only master key roles, they must implement them in intense and complex work settings. Their work is busy, demanding, and stressful at all levels of responsibility. The managers Mintzberg studied had little free time to themselves. In fact, unexpected problems and continuing requests for meetings consumed almost all available time. Their workdays were hectic; the pressure for continuously improving performance was all-encompassing.<sup>50</sup> Mintzberg summarized his observations this way: “The manager can never be free to forget the job, and never has the pleasure of knowing, even temporarily, that there is nothing else to do. . . . Managers always carry the nagging suspicion that they might be able to contribute just a little bit more. Hence they assume an unrelenting pace in their work.”<sup>51</sup>

## Managerial Agendas, Networks, and Social Capital

*Scene:* On the way to a meeting, a general manager ran into a colleague from another department. In a two-minute conversation she used this opportunity to (a) ask two questions and receive the information she had been needing; (b) reinforce their good relationship by sincerely complimenting her colleague on something he had recently done; and (c) get a commitment for the colleague to do something else that the general manager needed done. *Analysis:* This incident provides a glimpse of an effective general manager in action. It also portrays two activities that consultant and scholar John Kotter considers critical to a manager’s success—agenda setting and networking.<sup>52</sup>

**Agenda setting** develops action priorities for accomplishing goals and plans.

Through **agenda setting**, good managers develop action priorities that include goals and plans spanning long and short time frames. These agendas are usually incomplete and loosely connected in the beginning, but they become more specific as the manager utilizes information from many different sources. The agendas are always present in the manager’s mind and are played out or pushed ahead whenever an opportunity arises.

Good managers implement their agendas by **networking**—building and maintaining positive relationships with people whose help they need to implement their agenda. Networking creates **social capital**—a capacity to attract support and help from others to get things done. In the earlier example, the general manager received help from a colleague who did not report directly to her. The manager’s networks and social capital also include relationships she cultivates with other peers, higher-level executives, subordinates and members of their work teams, as well as with external customers, suppliers, and community representatives.

**Networking** is the process of creating positive relationships with people who can help advance agendas.

**Social capital** is a capacity to get things done with the support and help of others.

## Learning Check

### LEARNING OBJECTIVE 1.4

Explain the functions, roles, and activities of managers.

**Be Sure You Can** • define and give examples of each of the management functions—*planning, organizing, leading, and controlling* • explain Mintzberg’s view of what managers do, including the 10 key managerial roles • explain Kotter’s points on how managers use agendas and networks to fulfill their work responsibilities

## 1.5 Skills for Career Success

### LEARNING OBJECTIVE 1.5

Summarize how we learn and use essential skills for career success.

#### Learn More About

Lifelong learning and learning agility • Management skills • Career readiness skills

A **skill** is the ability to translate knowledge into action that results in desired performance.<sup>53</sup> And interestingly, a survey of corporate CEOs shows dissatisfaction with the skills they are seeing in business school students. Top criticisms include a lack of self-awareness, poor teamwork, weak critical thinking, and an absence of creativity.<sup>54</sup> While you might protest or disagree with the CEOs, their concerns are at least worth thinking about.

A **skill** is the ability to translate knowledge into action that results in desired performance.

## Lifelong Learning and Learning Agility

There’s no doubt that career success today depends greatly on **learning**—changing behavior through experience. Learning begins with **self-awareness**—having a real, unbiased understanding of your strengths and weaknesses. And when it comes to learning and self-awareness it’s not just classroom learning that’s important. There’s a lot to be gained from making a sincere commitment to **lifelong learning**—continuous learning from daily experiences and opportunities.

Your everyday life—from full-time and part-time jobs to teamwork in school, sports, and leisure activities—contains wonderful learning opportunities. But they only count if you take full advantage of them. Is this a challenge you are confident in meeting? Do you have what the world’s largest executive recruiting firm, Korn/Ferry International, calls **learning agility**, defined as the “willingness to grow, to learn, to have insatiable curiosity.”<sup>55</sup>

**Learning** is a change in behavior that results from experience.

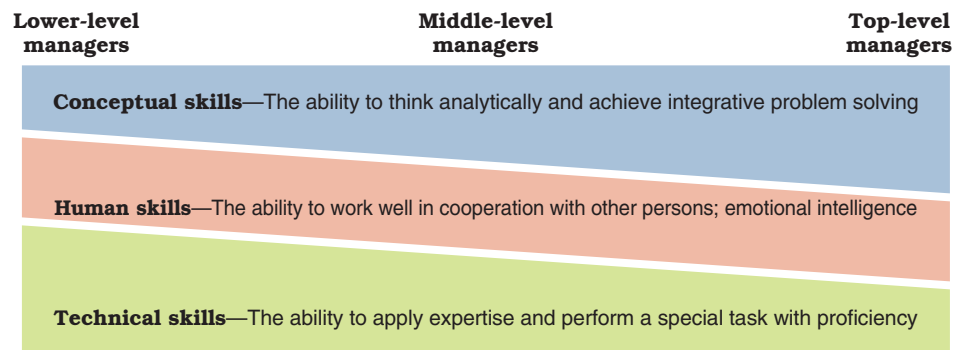
**Self-awareness** is having a real, unbiased understanding of our strength and weaknesses.

**Lifelong learning** is continuous learning from daily experiences.

**Learning agility** is a willingness to grow, to learn, and to have insatiable curiosity.

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**FIGURE 1.7** Katz's essential managerial skills—technical, human, and conceptual.

## Management Skills

Harvard scholar Robert L. Katz described the essential, or baseline, skills of managers in three categories: technical, human, and conceptual.<sup>56</sup> Although all three sets of skills are necessary for management success, their relative importance varies by level of managerial responsibility as shown in [Figure 1.7](#).

A **technical skill** is the ability to use expertise to perform a task with proficiency.

**Technical Skills** A **technical skill** is the ability to use a special proficiency or expertise to perform particular tasks. This is what someone can do that brings value to an employer. Accountants, engineers, market researchers, financial planners, and systems analysts, for example, have technical skills in their areas of expertise. Knowing how to write a business plan with a cash flow projection, use statistics to analyze data from a market survey, update software on a computer network, and deliver a persuasive oral presentation are also technical skills. Although initially gained through formal education, technical skills can become quickly outdated. It is important to nurture and develop them through ongoing learning that takes full advantage of training and job experiences.

Figure 1.7 shows that technical skills are essential at job entry and early career levels. As you look at this figure, take a quick inventory of your technical skills. They are things you must be able to tell a prospective employer when interviewing for a new job. Get prepared by asking this all-important self-assessment question: “What, exactly, can I do for a prospective employer?”

A **human skill** or interpersonal skill is the ability to work well in cooperation with other people.

**Human and Interpersonal Skills** Recruiters today put a lot of emphasis on a job candidate’s “soft” skills—things like ability to communicate, collaborate, and network, to lead and contribute to teams, and to treat others with trust, enthusiasm, and positivity.<sup>57</sup> These are all part of what Katz called the ability to work well in cooperation with others, or **human skill**. As pointed out in [Figure 1.6](#), the interpersonal nature of managerial work makes human skills consistently important across all levels of managerial responsibility.

**Emotional intelligence** is the ability to manage ourselves and our relationships effectively.

A manager with good human skills will have a high degree of **emotional intelligence**, defined by scholar and consultant Daniel Goleman as the “ability to manage ourselves and our relationships effectively.”<sup>58</sup> Strength or weakness in emotional intelligence shows up as the ability to recognize, understand, and manage feelings while interacting with others. Someone high in emotional intelligence will know when her or his emotions are about to become disruptive, and act to control them. This same person will sense when others’ emotions are negatively influencing a relationship, and try to understand and better deal with them.<sup>59</sup> Check your interpersonal skills and emotional intelligence by asking and answering this self-assessment question: “Just how well do I relate to and work with others in team and interpersonal situations?”

A **conceptual skill** is the ability to think analytically to diagnose and solve complex problems.

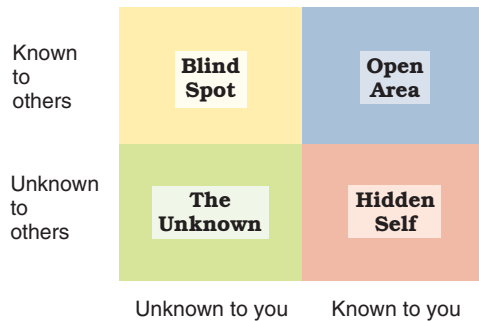
**Conceptual and Critical-Thinking Skills** The ability to think analytically is a **conceptual skill**. It involves the capacity to break problems into smaller parts, see relations between the parts, and recognize the implications of any one problem for others. We call this a critical-thinking skill, and it is a top priority when recruiters screen candidates.<sup>60</sup> Annmarie Neal, Vice President, Cisco Center for Collaborative Leadership within Human Resources, describes

## Insight: Gain Self-Awareness | Self-awareness helps us avoid seeing ourselves more favorably than is justified.

### Self-Awareness and the Johari Window

Although it's an important career skill, **self-awareness** can be easy to talk about but hard to master. Self-awareness helps us build on strengths and overcome weaknesses, and it helps us avoid seeing ourselves more favorably than is justified.

How often do you take a critical look at your attitudes, behaviors, skills, personal characteristics, and accomplishments? When was the last time you thought about them from a career perspective—as you see them and as others do?



Exploring your *Johari Window* is one way to gain more self-awareness. It's a way of comparing what we know about ourselves with what others know about us. The “open” areas known to ourselves and others are often small. The “blind spot,” “the unknown,” and the “hidden” areas can be quite large. They challenge our capacities for self-discovery.

Self-awareness is a pathway to adaptability, something we need to keep learning and growing in changing times. But remember the insights of the Johari Window. True self-awareness means not just knowing your idealized self—the person you want or hope to be. It also means knowing who you really are in the eyes of others and as defined by your actions.

#### Get To Know Yourself Better

Map your Johari Window. Make notes on your “Open Area” and “Hidden Self.” Speculate about your “Unknown.” Ask friends, family, and co-workers for insights to your “Blind Spot.” Write a summary of what you learn about possible career strengths and weaknesses.

it as an ability to “approach problems as a learner as opposed to a knower” and “taking issues and situations and problems and going to root components . . . looking at it [a problem] from a systematic perspective and not accepting things at face value . . . being curious about why things are the way they are and being able to think about why something is important.”<sup>61</sup>

Figure 1.7 shows that conceptual skills become more important moving from lower to higher levels of management. This is because the problems at higher levels of responsibility are often ambiguous and unstructured, full of complications and interconnections, and pose longer-term consequences. The end-of-chapter feature *Career Skills & Competencies—Make Yourself Valuable* offers ways to further develop your conceptual skills in management. And, the relevant self-assessment question to ask and honestly answer is: “Am I developing the strong critical-thinking and problem-solving capabilities I will need for long-term career success?”

## Career Readiness Skills

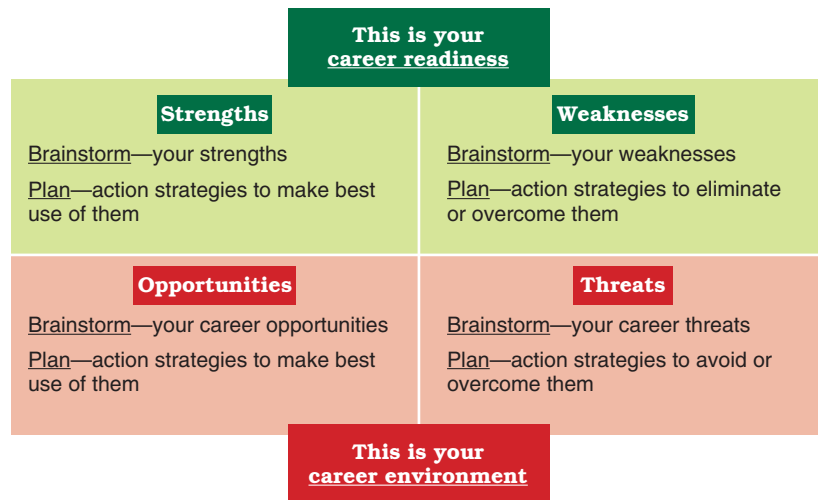
This book is filled with future value. Virtually everything we discuss can be applied to managing yourself in daily living as well as in a career. Now is the best time to prioritize your career readiness and start thinking about the strategic management of your future. The goal is to put skills, competencies, and aspirations together with learning agility so that you can always move forward with confidence, even as things change around you.

Take a good look at **Figure 1.8**. It shows how a strategic management tool called **SWOT analysis** that can help you stay on track with career readiness. A good SWOT analysis identifies individual Strengths and Weaknesses, as well as environmental Opportunities and Threats. When applied to you and your career, it is a powerful way to self-assess and self-regulate to achieve your goals.

Spend some time with Figure 1.8 and think seriously about your personal strengths. Be realistic and don't overestimate them. Are you good at reading people? Are you good at solving complex problems? Are you a good communicator? Do you have a network of helpful connections? Are you good at teamwork? Can you lead? These are the kinds of “strengths” that might be included in your personal SWOT. Surely you can identify many others.

Although it's difficult to think about personal weaknesses, all great leaders have a well-developed sense of their weak points. You should too. With such awareness you can avoid

**SWOT analysis** identifies individual strengths and weaknesses, as well as environmental opportunities and threats.



**FIGURE 1.8** Using a Personal SWOT Analysis for Strategic Career Planning

getting into jobs or special assignments where success relies heavily on areas outside your expertise and competence. Even more importantly, it’s a launching pad for learning and personal growth. Once weaknesses are recognized and accepted we can start taking action to correct or lessen them. Could you, right now for example, begin addressing weaknesses and even turn some into strengths? Think about special classes you might take, internships you might apply for, and trusted mentors you might approach to answer questions and guide you in positive ways.

In addition to assessing “who you are” in respect to strengths and weaknesses, it’s also essential to explore “what’s out there” in respect to opportunities and threats in a competitive career environment. Opportunities might include internships that coincide with experiences you’ve longed for or that represent employment entry points, an offer of a scholarship for graduate school, or personal connections that can open career doors. Threats might include industry and economic changes that are shrinking jobs in certain areas, new technologies that are creating job obsolescence in your fields of interest, and the presence of other students with the same or better qualifications applying for the same internships or full-time jobs.

The critical takeaway here is to take charge of your career readiness. The responsibility is yours, no one else’s. You must spend time on self assessment, thinking in a systematic way about yourself within a specific career setting. You must continually update your understanding of personal strengths and weaknesses in relation to external opportunities and threats. And, you must be excited about becoming a manager and team leader. As scholar Henry Mintzberg says:<sup>62</sup>

No job is more vital to our society than that of the manager. It is the manager who determines whether our social institutions serve us well or whether they squander our talents and resources.

## Learning Check

### LEARNING OBJECTIVE 1.5

Summarize how we learn and use essential skills for career success.

**Be Sure You Can** • discuss the career importance of learning and lifelong learning • define three essential managerial skills—*technical*, *human*, and *conceptual skills* • explain how these skills vary in importance across management levels • define *emotional intelligence* as an important human skill

# Management Learning Review: Get Prepared for Quizzes and Exams

## Summary

**LEARNING OBJECTIVE 1.1** Summarize the challenges of developing and maintaining career readiness in the new economy.

- Work in the new economy is increasingly knowledge based, and intellectual capital is the foundation of organizational performance.
- Organizations must value the talents of a workforce whose members are increasingly diverse with respect to gender, age, race and ethnicity, able-bodiedness, and lifestyles.
- The forces of globalization are bringing increased interdependencies among nations and economies, as customer markets and resource flows create intense business competition.
- Ever-present developments in information technology are reshaping organizations, changing the nature of work, and increasing the value of knowledge workers.
- Society has high expectations for organizations and their members to perform with commitment to high ethical standards and in socially responsible ways.
- Careers in the new economy require great personal initiative to build and maintain skill “portfolios” that are always up-to-date and valuable in a free-agent economy.

**For Discussion** What career risks and opportunities is globalization creating for today’s college graduates?

**LEARNING OBJECTIVE 1.2** Describe what organizations are like as work settings.

- Organizations are collections of people working together to achieve a common purpose.
- As open systems, organizations interact with their environments in the process of transforming resource inputs into product and service outputs.
- Productivity is a measure of the quantity and quality of work performance, with resource costs taken into account.
- High-performing organizations achieve both performance effectiveness in terms of goal accomplishment, and performance efficiency in terms of resource utilization.

**For Discussion** When is it acceptable to sacrifice performance efficiency for performance effectiveness?

**LEARNING OBJECTIVE 1.3** Describe what it means to be a manager.

- Managers directly support and facilitate the work efforts of other people in organizations.

- Top managers scan the environment, create strategies, and emphasize long-term goals; middle managers coordinate activities in large departments or divisions; team leaders and supervisors support performance of frontline workers at the team or work-unit level.
- Functional managers work in specific areas such as finance or marketing; general managers are responsible for larger multi-functional units; administrators are managers in public or non-profit organizations.
- The upside-down pyramid view of organizations shows operating workers at the top, serving customer needs while being supported from below by various levels of management.
- The changing nature of managerial work emphasizes being good at “coaching” and “supporting” others, rather than simply “directing” and “order-giving.”

**For Discussion** In what ways should the work of a top manager to differ from that of a team leader?

**LEARNING OBJECTIVE 1.4** Describe the functions, roles, and activities of managers.

- The management process consists of the four functions of planning, organizing, leading, and controlling.
- Planning sets the direction; organizing assembles the human and material resources; leading provides the enthusiasm and direction; controlling ensures results.
- Managers implement the four functions in daily work that is often intense and stressful, involving long hours and continuous performance pressures.
- Managerial success requires the ability to perform well in interpersonal, informational, and decision-making roles.
- Managerial success also requires the ability to build interpersonal networks and use them to accomplish well-selected task agendas.

**For Discussion** How might the upside-down pyramid view of organizations affect a manager’s approach to planning, organizing, leading, and controlling?

**LEARNING OBJECTIVE 1.5** Summarize how we learn and use essential skills for career success.

- Careers in the new economy demand continual attention to lifelong learning from all aspects of daily experience and job opportunities.

- Skills considered essential for managers are broadly described as technical—ability to use expertise; human—ability to work well with other people, including emotional intelligence; and conceptual—ability to analyze and solve complex problems with critical thinking.
- Human skills are equally important for all management levels, whereas conceptual skills gain importance at higher levels and technical skills gain importance at lower levels.

**For Discussion** Which management skills and competencies do you consider the most difficult to develop, and why?

## Self-Test 1

### Multiple-Choice Questions

- The process of management involves the functions of planning, \_\_\_\_\_, leading, and controlling.
  - accounting
  - creating
  - innovating
  - organizing
- An effective manager achieves both high-performance results and high levels of \_\_\_\_\_ among people doing the required work.
  - turnover
  - effectiveness
  - satisfaction
  - stress
- Performance efficiency is a measure of the \_\_\_\_\_ associated with task accomplishment.
  - resource costs
  - goal specificity
  - product quality
  - product quantity
- The requirement that a manager answer to a higher-level boss for performance results achieved by a work team is called \_\_\_\_\_.
  - dependency
  - accountability
  - authority
  - empowerment
- Productivity is a measure of the quantity and \_\_\_\_\_ of work produced, relative to the cost of inputs.
 

<ol style="list-style-type: none"> <li>quality</li> </ol>	<ol style="list-style-type: none"> <li>timeliness</li> </ol>
<ol style="list-style-type: none"> <li>cost</li> </ol>	<ol style="list-style-type: none"> <li>value</li> </ol>
- \_\_\_\_\_ managers pay special attention to the external environment, looking for problems and opportunities and finding ways for the organization to best deal with them.
 

<ol style="list-style-type: none"> <li>Top</li> </ol>	<ol style="list-style-type: none"> <li>Lower</li> </ol>
<ol style="list-style-type: none"> <li>Middle</li> </ol>	<ol style="list-style-type: none"> <li>First-line</li> </ol>
- The accounting manager for a local newspaper would be considered a \_\_\_\_\_ manager, whereas the editorial director for sports would be considered a \_\_\_\_\_ manager.
 

<ol style="list-style-type: none"> <li>general, functional</li> </ol>	<ol style="list-style-type: none"> <li>staff, line</li> </ol>
<ol style="list-style-type: none"> <li>middle, top</li> </ol>	<ol style="list-style-type: none"> <li>senior, junior</li> </ol>
- When a team leader clarifies desired work targets and deadlines for members of a work team, they are fulfilling the management function of \_\_\_\_\_.
  - planning
  - delegating
  - controlling
  - supervising
- The process of building and maintaining good relationships with others who may help implement a manager's work agendas is called \_\_\_\_\_.
 

<ol style="list-style-type: none"> <li>governance</li> </ol>	<ol style="list-style-type: none"> <li>authority</li> </ol>
<ol style="list-style-type: none"> <li>networking</li> </ol>	<ol style="list-style-type: none"> <li>entrepreneurship</li> </ol>
- In Katz's framework, top managers tend to rely more on their \_\_\_\_\_ skills than do first-line managers.
  - human
  - conceptual
  - decision-making
  - technical
- The research of Mintzberg and others concludes that managers \_\_\_\_\_.
  - work at a leisurely pace
  - have blocks of private time for planning
  - are never free from the pressures of performance responsibility
  - have the advantages of flexible work hours
- When someone holds a negative attitude toward minorities, this is an example of \_\_\_\_\_. When a team leader with a negative attitude toward minorities makes a decision to deny advancement opportunities to a Hispanic team member, this is an example of \_\_\_\_\_.
 

<ol style="list-style-type: none"> <li>discrimination, prejudice</li> </ol>
<ol style="list-style-type: none"> <li>emotional intelligence, social capital</li> </ol>
<ol style="list-style-type: none"> <li>performance efficiency, performance effectiveness</li> </ol>
<ol style="list-style-type: none"> <li>prejudice, discrimination</li> </ol>
- Trends in the new workplace include which of the following?
  - More emphasis by managers on giving orders.
  - More attention by organizations to valuing people as human assets.
  - Less teamwork.
  - Less concern for work-life balance among the new generation of workers.

14. The manager's role in the "upside-down pyramid" view of organizations is best described as providing \_\_\_\_\_ so that workers can directly serve \_\_\_\_\_.

- a. direction, top management
- b. leadership, organizational goals
- c. support, customers
- d. agendas, networking

15. The management function of \_\_\_\_\_ is being performed when a retail manager measures daily sales in the women's apparel department and compares them with daily sales targets.

- a. planning
- b. agenda setting
- c. controlling
- d. delegating

### Short-Response Questions

16. Discuss the importance of ethics in the relationship between managers and the people they supervise.

17. Explain how "accountability" operates in the relationship between (a) a team leader and her team members, and (b) the same team leader and her boss.

18. Explain how the "glass ceiling effect" may disadvantage newly hired African American college graduates in a large corporation.

19. What is globalization, and what are its implications for working in the new economy?

### Essay Question

20. You have just been hired as the new head of an audit team for a national accounting firm. With four years of experience, you feel technically well prepared for the assignment. However, this is your first formal appointment as a "manager." Things are complicated at the moment. The team has 12 members of diverse demographic and cultural backgrounds, as well as work experience. There is an intense workload and lots of performance pressure. How will this situation challenge you to develop and use essential managerial skills and related competencies to manage the team successfully to high levels of auditing performance?

## Career Skills & Competencies: Make Yourself Valuable!

### Evaluate Career Situations for New Managers

#### What Would You Do?

##### 1. Opportunity with International Employer

One of the plus sides of globalization is new jobs created by international employers setting up operations in local communities. How about you: Does it make any difference if you receive a job offer from an international employer such as Honda or a domestic one such as Ford? Assume you just had an offer from Honda for a great job in Marysville, Ohio. Prepare a Job Hunter's Balance Sheet. On the left list the "pluses" and on the right the "minuses" of working at home for a international employer.

##### 2. Interviewing for Dream Job

It's time to take your first interview for a "dream" job. The interviewer is sitting across the table from you. She smiles, looks you in the eye,

and says: "You have a very nice academic record and we're impressed with your extracurricular activities." But she then says: "Now tell me, just what can you do for us that will add value to the organization right from day one?" You're on the spot. How will you answer? What can you add to the conversation that clearly shows you have strong human and conceptual skills, not just technical ones?

##### 3. Supervising Old Friends

When people are promoted into management, they sometimes end up supervising friends and colleagues they previously worked with. This could happen to you. When it does, how can you best deal with this situation right from the start? What will you do to earn the respect of everyone under your supervision and set the foundations for what will become a well-regarded and high-performing work team?

### Reflect on the Self-Assessment

#### Career Readiness "Big 20"

##### Instructions

Use this scale to rate yourself on the following "Big 20" personal characteristics for management and career success.<sup>63</sup>

- (S) Strong, I am very confident with this one.
- (G) Good, but I still have room to grow.

- (W) Weak, I really need work on this one.
- (U) Unsure, I just don't know.

##### Big 20 Personal Characteristics

1. *Inner work standards*: The ability to personally set and work to high performance standards.

2. *Initiative*: The ability to actively tackle problems and take advantage of opportunities.
3. *Analytical thinking*: The ability to think systematically and identify cause–effect patterns in data and events.
4. *Creative thinking*: The ability to generate novel responses to problems and opportunities.
5. *Reflective thinking*: The ability to understand yourself and your actions in the context of society.
6. *Social objectivity*: The ability to act free of racial, ethnic, gender, and other prejudices or biases.
7. *Social intelligence*: The ability to understand another person’s needs and feelings.
8. *Emotional intelligence*: The ability to recognize and manage emotions.
9. *Cultural intelligence*: The ability to respect other cultures and work well in diverse cultural settings.
10. *Interpersonal relations*: The ability to work well with others and in teams.
11. *Self-confidence*: The ability to be consistently decisive and willing to take action.
12. *Self-objectivity*: The ability to evaluate realistically personal strengths, weaknesses, motives, and skills.
13. *Tolerance for uncertainty*: The ability to work in ambiguous and uncertain conditions.
14. *Adaptability*: The ability to be flexible and adapt to changes.
15. *Stress management*: The ability to get work under stressful conditions.
16. *Stamina*: The ability to sustain long work hours.
17. *Communication*: The ability to communicate well orally and in writing.
18. *Impression management*: The ability to create and sustain a positive impression in the eyes of others.
19. *Introspection*: The ability to learn from experience, awareness, and self-study.
20. *Application*: The ability to apply learning and use knowledge to accomplish things.

### Self-Assessment Scoring

Give yourself 1 point for each S, and 1/2 point for each G. Do not give yourself points for W and U responses. Total your points and enter the result here [ \_\_\_\_\_ ].

### Interpretation

This assessment is a good starting point for considering where and how you can further develop useful managerial skills and competencies. It offers a self-described profile of your personal management foundations—things that establish strong career readiness. The higher you score the better. Are you a perfect 10, or something less? There shouldn’t be too many 10s around. Ask someone you know to assess you on this instrument as well. You may be surprised at the differences between your score and the one they come up with.

## Contribute to the Class Exercise

### My Best Manager

#### Preparation

Working alone, make a list of the *behavioral attributes* that describe the “best” manager you have ever had. This could be someone you worked for in a full-time or part-time job, summer job, volunteer job, student organization, or elsewhere. If you have trouble identifying an actual manager, make a list of behavioral attributes of the manager you would most like to work for in your next job.

1. Make a list of the behavioral attributes that describe the “worst” manager you have ever had.
2. Write a short synopsis of things that this bad manager actually did or said that would qualify for “Believe it or not, it’s really true!” status.

3. If you also made a list of attributes for your “best” manager, write a quick summary of the most important differences that quickly sort out your best from your worst.

#### Activity

Form into groups as assigned by your instructor, or work with a nearby classmate. Share your list of attributes and listen to the lists of others. Be sure to ask questions and make comments on items of special interest.

Work together in the group to create a master list that combines the unique attributes of the “best” and/or “worst” managers experienced by members. Have a spokesperson share that list with the rest of the class for further discussion. Share the “Believe it or not!” stories provided by group members.

## Manage a Critical Incident

### Team Leader Faces Test

It’s happened again for the second time in a week. Charles walked into your cubicle and started a rant about his not getting enough support from you as his team leader. Before you could say anything, he accused you of playing favorites in assigning projects and not giving him the respect he deserved for his seniority and expertise. Then he gave you an angry look, turned around, and stomped off. You let

it go the last time he exploded like this. And after cooling down, he came by later to apologize and give you a fist-bump of reconciliation. You’ve since learned, however, that the other team members have been on the receiving end of his outbursts and are starting to complain to one another about him. Charles is your top software engineer and has a lot of technical expertise to offer the team and you. He’s a valuable talent, but his behavior has become intolerable. It’s time for action.

### Questions

How do you handle Charles and the full team in these circumstances? Does this call for direct confrontation between you and him? If so, how do you handle it? If not, how do you handle it? Is this something that

the team as a whole needs to get involved with? If so, how do you proceed as team leader? How can you use each of the management functions to best deal with this situation? How can essential managerial skills help you succeed in this and similar situations?

## Collaborate on a Team Project

### The Amazing Great Job Race

The fantastic variety of jobs out there for the well-prepared candidate is almost unimaginable. But our lives have gotten busy—really complicated! We spend time with work, school work, meetings, friends, family, video games, listening to music, watching television, surfing the Internet, going to concerts, social engagements, and so on! It seems like our calendars are always full with activities, leaving less time available to figure out what we really want from a first “real” job and a career.

You might say or hear: “I haven’t got time for that—I need a job now . . . !” It’s easy to overestimate how much you can get done at the last minute. There may also be lots of uncertainty as to what kind of job you really want. Thinking about likes and dislikes, talents and areas of deficit, goals, aspirations, wants, needs, understanding yourself and what makes you happy—all take time. It also takes time spent in the right ways.

A job that looks really great to you might require a series of classes that you haven’t taken, an internship that you haven’t done, software that you don’t know, or a foreign language you don’t speak. If you spend time thinking about what you want, searching for what’s

out there, and figuring out now what you’ll need in order to be prepared when you graduate, you just might find yourself running and winning the Amazing Great Job Race.

### Instructions

1. *Reflect:* What classes have you enjoyed the most? What did you like most about them? How was your thinking challenged in these courses? What work experiences have been most satisfying for you? Why?
2. *Share:* Listen without criticism to how others in the group answered these reflection questions. Share your answers and listen to the comments of others. Turn group discussion into a brainstorming session about the kinds of jobs each member might like to do and the careers they might pursue.
3. *Debate:* Push each other to identify baseline requirements for jobs that might be good fits for them. Ask: What classes would you need to take to be in a position to compete for these jobs? What kinds of internships would you need to participate in order to gain experience and access? What tests and certifications might be necessary? How much time would these preparations take so that you are ready to compete for your best job with other candidates who might want it also?

## Analyze a Case Study

### Trader Joe’s | Keeping a Cool Edge

Go to **Management Cases for Critical Thinking** at the end of the book to find this case.