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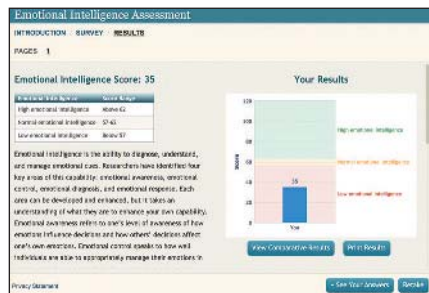
Fundamentals of Management

ELEVENTH EDITION

Stephen P. Robbins • Mary A. Coulter • David A. De Cenzo



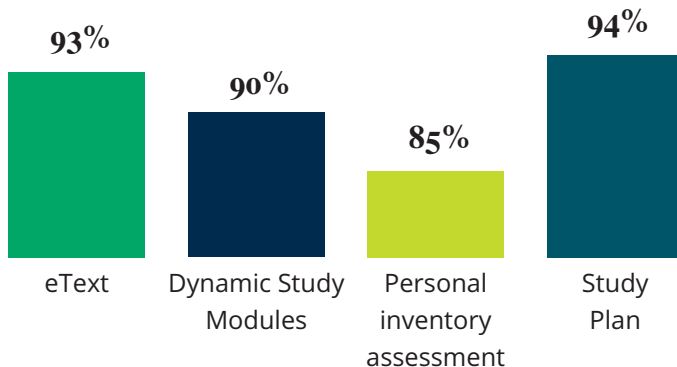
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.....

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

Mary

.....

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

Dave

Fundamentals of Management

ELEVENTH EDITION

GLOBAL EDITION

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Preface

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

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

New to This Edition

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

- *Case Applications*. 58 percent new.
- *New Management in the News in MyLab Management*. News articles are posted regularly, along with discussion questions that help students to understand management issues in current events.

Solving Teaching and Learning Challenges

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

Developing a “Management Sense”

Bust This Myth and Debunking Chapter Openers

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



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

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

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

BTM 1.1 Question Help

[Only future managers need a course on management \(0:48 mins\)](#)

Taking a course in management is appropriate ONLY for:

A. Those students majoring in fields other than business

B. Individuals who have not had management experience

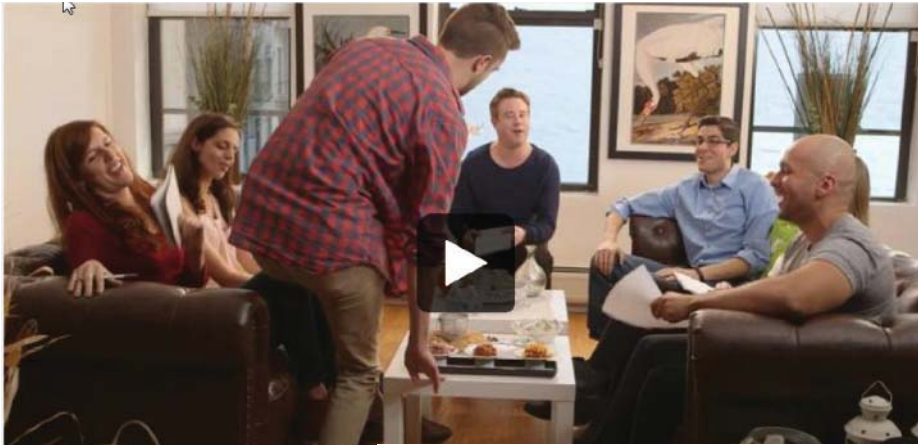
C. Those students who are majoring in management

D. All students, regardless of major or management experience

E. Future managers

Click to select your answer and then click Check Answer.

All parts showing Clear All Check Answer



The **Think Like a Manager** video series in *MyLab Management* shows students difficult business scenarios and asks them to respond through multiple choice question assignable activities.

Homework: Think Like A Manager: Group Dynamics and Dev Show complete

Score: 0 of 1 pt 1 of 5 (0 complete) HW Score: 0%, 0 of 5 pts

TLM1 10.1 Question Help

[Group Dynamics and Development 4.23 mins](#)

Members agree early on to pay into a "pizza kitty" when they are late for a meeting. This expectation is an example of _____.

- A. a role
- B. social loafing
- C. a norm
- D. relationship conflict
- E. groupthink

Apply Concepts to the Real World

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



Murad Sezer/Reuters

Making Ethical Decisions in Today's Workplace

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

Discussion Questions:

- 5 Striving for more realistic beauty/body image ideals: Who are potential stakeholders in this situation and what stake do they have in this decision?
- 6 From a generic viewpoint, how do ethical issues affect decision making? In this specific story, what potential ethical considerations do you see in the decision by CVS to stop altering beauty images and start using more realistic images?

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

To help students apply management concepts to the real world, the cases ask students to assess a situation and answer questions about “how” and “why” and “what would you do?” These Case Applications cover a variety of companies, including Uber, Netflix, General Electric, Tesla, and more.

(Case Application for Chapter 14, Tesla)

CASE APPLICATION #3

Goals and Controls

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

Tesla. Elon Musk. You’ve probably heard of both. Tesla was founded in 2003 by a group of engineers who wanted to prove that buyers didn’t need to compromise looks and performance to drive electric—that electric cars could be “better, quicker, and more fun to drive than gasoline cars.”⁶⁰ Musk was not part of that original group but led the company’s Series A investment (the name typically given to a company’s first round of venture capital financing) and joined Tesla’s board of directors as chairman. He soon took an active

role in the company and oversaw the design of Tesla’s first car, the Roadster, which was launched in 2008. Next came the Model S, introduced in 2012 as the world’s first premium all-electric sedan. The next product line expansion was the Model X in 2015, a sport utility vehicle, which achieved a 5-star safety rating from the National Highway Safety Administration. The Model 3 was introduced in 2016 and production began in 2017. From the beginning, Musk has maintained that Tesla’s long-term strategic goal was to create affordable mass-market

Experiential Exercise

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

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

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

Developing Employability Skills

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

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

| EMPLOYABILITY SKILLS MATRIX | | | | | |
|---|-------------------|---------------|---------------|------------------------------------|-----------------------|
| | Critical Thinking | Communication | Collaboration | Knowledge Application and Analysis | Social Responsibility |
| Classic Concepts in Today's Workplace | ✓ | ✓ | ✓ | ✓ | |
| Making Ethical Decisions in Today's Workplace | ✓ | ✓ | ✓ | ✓ | ✓ |
| Managing Technology in Today's Workplace | ✓ | ✓ | ✓ | ✓ | ✓ |
| MyLab: Write It, Watch It, Try It | ✓ | ✓ | | ✓ | |
| Management Skill Builder—Practicing the Skill | | ✓ | ✓ | ✓ | |
| Experiential Exercise | | ✓ | ✓ | ✓ | |
| Case Application 1 | ✓ | | | ✓ | ✓ |
| Case Application 2 | ✓ | ✓ | | ✓ | |
| Case Application 3 | ✓ | | ✓ | | |

[Employability Skills Matrix from Chapter 1]

Boxed Features Highlight Opportunities to Develop Key Employability Skills.

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

◀◀ Classic Concepts in Today's Workplace ▶▶

Hofstede's 5 Dimensions of National Culture

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

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

value relationships and show sensitivity and concern for the welfare of others.

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

The following table shows a few highlights of four of Hofstede's cultural dimensions and how different countries rank on those dimensions.

Here's one way to UNDERSTAND CULTURAL DIFFERENCES!

Making Ethical Decisions in Today's Workplace

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

Discussion Questions:

- 5 Is there an ethical issue here? Why or why not? What stakeholders might be affected and how might they be affected? How can identifying stakeholders help a manager decide the most responsible approach?
- 6 Working together in your "assigned" group, discuss Disney's actions. Do you agree with those actions? Look at the pros and cons, including how the various stakeholders are affected. Prepare a list of arguments both pro and con. (To be a good problem solver and critical thinker, you have to learn how to look at issues from all angles!)

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

Managing Technology in Today's Workplace

MONITORING EMPLOYEES

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

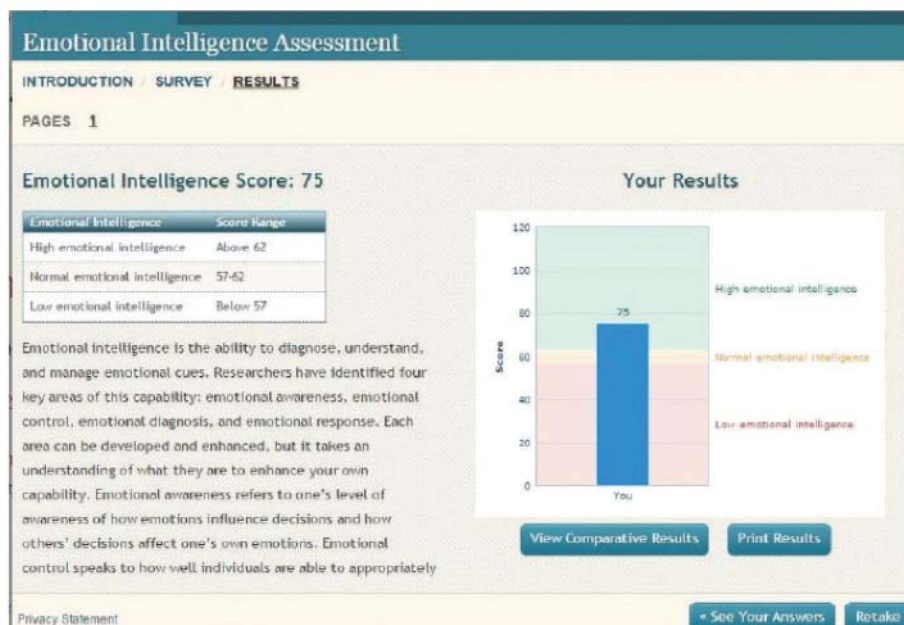
- The mayor of Colorado Springs, Colorado, reads the e-mail messages that city council members send to each other from their homes. He defended his actions by saying he was making sure that e-mails to each other were not being used to circumvent the state's "open meeting" law that requires most council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

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

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

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

Personal Inventory Assessments is a collection of online exercises designed to promote self-reflection and engagement in students, helping them better understand management concepts. These assessments help develop professionalism and awareness of oneself and others, skills necessary for future career success.



End-of-Chapter Management Skill Builder helps students move from merely knowing concepts to actually being able to use that knowledge.

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

Management Skill Builder | UNDERSTANDING CULTURE

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

Expanded **Module on Professionalism and Employability**

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

Chapter by Chapter Changes

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

Chapter 1

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

History Module

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

Chapter 2

- Rewrote box feature questions to focus on skills
- Added "revision bias" to section on Common Errors
- New Being Ethical box
- Added information on stumbling blocks to creativity
- New Experiential Exercise

- One new case (Panera Bread Company)
- Updated two cases (UPS, Baseball Data Analytics)
- Added “Topic” to Case Apps
- Highlighted different employability skills in each case

Quantitative Decision-Making Tools Module

Chapter 3

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

Chapter 4

- Rewrote box feature questions to focus on skills
- New Being Ethical box
- Added new section on Current Issues in Organizational Culture
- New Experiential Exercise
- Two new cases (Uber, full pay transparency)
- Updated one case (movie theatre industry)
- Added “Topic” to Case Apps
- Highlighted different employability skill in each case

Chapter 5

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

Managing Entrepreneurial Ventures Module

- New Module

Chapter 6

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

Chapter 7

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

Chapter 8

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

Professionalism and Employability Module

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

Chapter 9

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

Chapter 10

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

Chapter 11

- Rewrote box feature questions to focus on skills
- New Experiential Exercise
- One new case (unlimited vacation time)
- Two updated cases (Gravity Payments, Patagonia)

- Added “Topic” to Case Apps
- Highlighted different employability skills in each case

Chapter 12

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

Chapter 13

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

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

Chapter 14

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

Managing Operations Module

- New presentation of material as a module

Instructor Teaching Resources

This program comes with the following teaching resources.

| Supplements available to instructors at www.pearsonglobaleditions.com | Features of the Supplement |
|--|--|
| Instructor’s Resource Manual authored by Veronica Horton | <ul style="list-style-type: none"> • Chapter-by-chapter summaries • Chapter Outlines with teaching tips • Answers to Case Application discussion questions • Solutions to all questions and exercises in the book |
| Test Bank authored by Carol Heeter | <p>Over 2,500 multiple-choice, true/false, and essay questions with answers and these annotations:</p> <ul style="list-style-type: none"> • Learning Objective • AACSB learning standard (Written and Oral Communication; Ethical Understanding and Reasoning; Analytical Thinking; Information Technology; Interpersonal Relations and Teamwork; Diverse and Multicultural Work Environments; Reflective Thinking; Application of Knowledge) • Difficulty level (Easy, Moderate, Challenging) • Question Category (Critical Thinking, Concept, Application, Analytical, or Synthesis) |
| TestGen® Computerized Test Bank | <p>TestGen allows instructors to:</p> <ul style="list-style-type: none"> • Customize, save, and generate classroom tests • Edit, add, or delete questions from the Test Bank • Analyze test results • Organize a database of tests and student results |
| PowerPoint Presentation authored by Veronica Horton | <p>Presents basic outlines and key points from each chapter. Slides meet accessibility standards for students with disabilities. Features include, but not limited to:</p> <ul style="list-style-type: none"> • Keyboard and Screen Reader access • Alternative text for images • High-color contrast between background and foreground colors |

Acknowledgments

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Thank You!

Steve, Mary, and Dave would like to thank you for considering and choosing our book for your management course. All of us have several years of teaching under our belt, and we know how challenging yet rewarding it can be. Our goal is to provide you with the best resources available to help you excel in the classroom!

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When she's not busy writing, Dr. Coulter enjoys puttering around in her flower gardens; trying new recipes; reading all different types of books; and enjoying many different activities with husband Ron, daughters and sons-in-law Sarah and James and Katie and Matt, and most especially with her two grandkids, Brooklynn and Blake, who are the delights of her life!



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Managing Today

1



Only those who
want to be managers
need to take a
course in management.



Anyone who works
in an organization
—not just managers—
can gain insight into how
organizations work and
the behaviors of their
boss and coworkers by
taking a course in management.

ASSUME

for a moment that it's your first day in an introductory physics class. Your instructor asks you to take out a piece of paper and "describe Newton's second law of motion." How would you react? We think that you, like most students, would respond with something like "How would I know? That's why I'm taking this course!"

Now let's change the situation to the first day in an introductory management class. Your instructor asks you to write an answer to the question: "What traits does one need to be an effective leader?" When we've done this on the first day, we find that students always have an answer. Everyone seems to think they know what makes a good leader.

This example illustrates a popular myth about the study of management: It's just

common sense. Well, we can assure you... it's not! When it comes to managing, much of what passes for common sense is just plain misguided or even wrong. You might be surprised to know that the *academic* study of management is filled with insights, based on extensive research, which often run counter to what seems to be common sense. That's why we decided to tackle head-on this common-sense perception by opening each chapter with a particular "management myth" and then "debunking" this myth by explaining how it *is* just a common-sense myth.

Take a minute to re-look at this chapter's "management myth" and "management myth debunked." This "debunked" myth often surprises students majoring in subjects like accounting, finance, statistics, information technology, or advertising. Since they don't

Learning Outcomes

1-1 Tell who managers are and where they work. p. 29

1-2 Define *management*. p. 32

1-3 Describe what managers do. p. 33

1-4 Explain why it's important to study management. p. 38

1-5 Describe the factors that are reshaping and redefining management. p. 39

1-6 Describe the key employability skills gained from studying management that are applicable to your future career, regardless of your major. p. 42

expect to be managers, they see spending a semester studying management as a waste of time and irrelevant to their career goals. Later in this chapter, we'll explain why the study of management is valuable to *every* student, no matter what you're majoring in or whether you are a manager or aspire to be a manager. ●

Although we'd like to think that all managers are good at what they do, you may have discovered through jobs you've had that managers can be good at what they do or maybe not so good, or even good one day and not so good the next! One thing you need to understand is that all managers—good or not so good—have important jobs to do. And this book is about the work managers do. In this chapter, we introduce you to managers and management: who they are, where they work, what management is, what they do, and why you should spend your time studying management, including how you can develop important employability skills. Finally, we'll wrap up the chapter by looking at some key factors reshaping and redefining organizations *and* the way managers manage.

Who Are Managers and Where Do They Work?

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

There's no prototype or standard criteria as to who can be a manager. Managers today can be under age 18 or over age 80. They may be women as well as men, and they can be found in all industries and in all countries. They manage entrepreneurial businesses, large corporations, government agencies, hospitals, museums, schools, and

not-for-profit enterprises. Some hold top-level management jobs while others are supervisors or team leaders. However, all managers share one common element: They work in an organizational setting. An **organization** is a deliberate collection of people brought together to accomplish some specific purpose. For instance, your college or university is an organization, as are the United Way, your neighborhood convenience store, the New Orleans Saints football team, fraternities and sororities, the Cleveland Clinic, and global companies such as Alibaba Group, Lego, and Starbucks. These and all organizations share three common characteristics. (See Exhibit 1-1.)

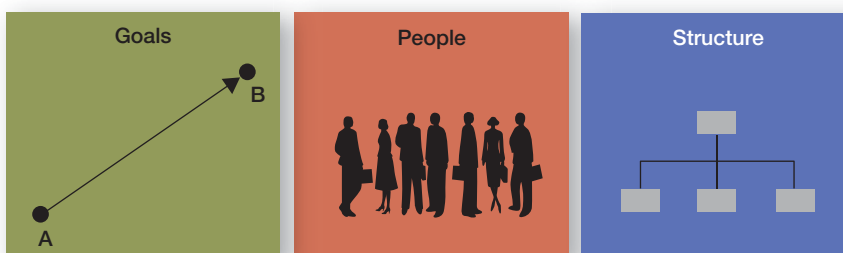
What Three Characteristics Do All Organizations Share?

The *first* characteristic of an organization is that it has a *distinct purpose*, which is typically expressed as a goal or set of goals. For example, Mark Zuckerberg, CEO of Facebook, facing increased public scrutiny over things his company was doing and not doing in relation to protecting its community of users and the global community at large, stated that his company's goal was to fix those important issues and to get back to its original purpose—providing meaningful interactions between family and friends.¹ The *second*

organization

A deliberate collection of people brought together to accomplish some specific purpose

Exhibit 1-1 Three Characteristics of Organizations



nonmanagerial employees

People who work directly on a job or task and have no responsibility for overseeing the work of others

managers

Individuals in an organization who direct and oversee the activities of others

top managers

Individuals who are responsible for making decisions about the direction of the organization and establishing policies that affect all organizational members

middle managers

Individuals who are typically responsible for translating goals set by top managers into specific details that lower-level managers will see get done

first-line managers

Supervisors responsible for directing the day-to-day activities of nonmanagerial employees and/or team leaders

characteristic is that *people* in an organization work to achieve those goals. How? By making decisions and engaging in work activities to make the desired goal(s) a reality. For instance, at Facebook, many employees work to create the programming and algorithms that are crucial to the company's business. Others provide supporting services by monitoring content or addressing user problems. Finally, the *third* characteristic is that an organization is *structured* in some way that defines and limits the behavior of its members. Facebook, like most large organizations, has a structure with different businesses, departments, and functional areas. Within that structure, rules, regulations, and policies might guide what people can or cannot do; some members will supervise other members; work teams might be formed or disbanded; or job descriptions might be created or changed so organizational members know what they're supposed to do. That structure is the setting within which managers manage.

How Are Managers Different from Nonmanagerial Employees?

Although managers work in organizations, not everyone who works in an organization is a manager. For simplicity's sake, we'll divide organizational members into two categories: nonmanagerial employees and managers. **Nonmanagerial employees** are people who work directly on a job or task and have no responsibility for overseeing the work of others. The employees who ring up your sale at Home Depot, take your order at the Starbucks drive-through, or process your class registration forms are all nonmanagerial employees. These nonmanagerial employees may be called associates, team members, contributors, or even employee partners. **Managers**, on the other hand, are individuals in an organization who direct and oversee the activities of other people in the organization so organizational goals can be accomplished. A manager's job isn't about *personal* achievement—it's about helping *others* do their work. That may mean coordinating the work of a departmental group, leading an entire organization, or supervising a single person. It could involve coordinating the work activities of a team with people from different departments or even people outside the organization, such as contract employees or individuals who work for the organization's suppliers. This distinction doesn't mean, however, that managers don't ever work directly on tasks. Some managers do have work duties not directly related to overseeing the activities of others. For example, an insurance claims supervisor might process claims in addition to coordinating the work activities of other claims employees.

What Titles Do Managers Have?

Although they can have a variety of titles, identifying exactly who the managers are in an organization shouldn't be difficult. In a broad sense, managers can be classified as top, middle, first-line, or team leaders. (See Exhibit 1–2.) **Top managers** are those at or near the top of an organization. They're usually responsible for making decisions about the direction of the organization and defining policies and values that affect all organizational members. Top managers typically have titles such as vice president, president, chancellor, managing director, chief operating officer (COO), chief executive officer (CEO), or chairperson of the board. **Middle managers** are those managers found between the lowest and top levels of the organization. These individuals often manage other managers and maybe some nonmanagerial employees and are typically responsible for translating the goals set by top managers into specific details that lower-level managers will see get done. Middle managers may have such titles as department or agency head, project leader, unit chief, district manager, division manager, or store manager.

First-line managers are those individuals responsible for directing the day-to-day activities of nonmanagerial employees and/or team leaders. First-line managers are often called supervisors,

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