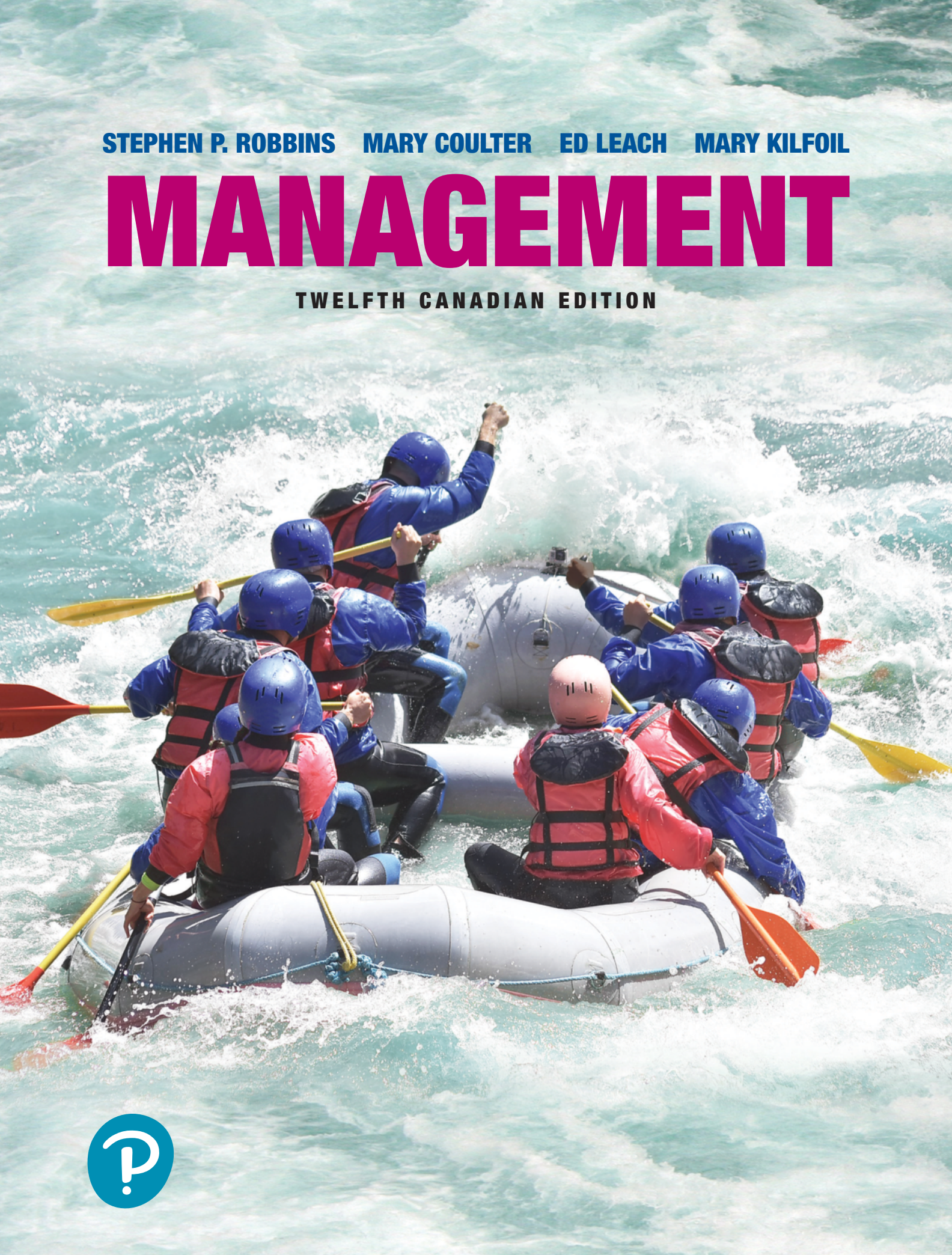


STEPHEN P. ROBBINS MARY COULTER ED LEACH MARY KILFOIL

MANAGEMENT

TWELFTH CANADIAN EDITION



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MANAGEMENT

TWELFTH CANADIAN EDITION

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*To my wife, Laura
Steve*

*To my husband, Ron
Mary*

*To my wife and life partner, Mary
Ed*

*To my husband and life partner, Ed
Mary*

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Preface

The first edition of this book appeared in 1984 in the United States. As new theories and research have been published, expanding our knowledge about what makes an effective manager, the authors have been updating the book to reflect that knowledge. Students have also changed since 1984; today's students want more relevance from their management textbook. They want both knowledge and skills. Students want to leave class not only knowing what management is all about but also with the skills necessary to help them succeed in today's workplaces.

This course and this book are about management and managers. Managers are the one thing that all organizations—no matter the size, kind, or location—need. And there's no doubt that the world managers face has changed, is changing, and will continue to change. The dynamic nature of today's organizations means both rewards and challenges for the individuals who will be managing those organizations. Management is a dynamic, changing subject, and a textbook on management should reflect those changes to help prepare you to manage under the current conditions in the workplace. Thus, we've prepared this twelfth Canadian edition of *Management* to provide you with the best possible understanding of what it means to be a manager confronting change.

General Content and Approach

The underlying philosophy of our textbook is that “management is for everyone.” Students who are not managers, or do not envision themselves as managers, do not always understand why studying management is important or relevant. We use examples from a variety of settings and provide several different end-of-chapter applications, such as Learning to Be a Manager, to help you understand the relevance of studying management for your day-to-day life. And we have once again expanded the discussion of ethics and social responsibility to reflect the commitment of today's students to making the world a better place. We have also broadened the discussion of adaptability across all chapters—the need for managers to continuously scan for new opportunities and then act strategically to take advantage of them. Design thinking is an emerging and important trend in management that is also considered in this revision.

In this edition, we have continued to make enhancements that add to both learning and instruction:

- We've added a new chapter on managing diversity
- A revised Starbucks continuing case is included in each Part
- The new **FYI** feature offers interesting data to support the concepts in the text
- Big data, machine learning, and artificial intelligence topics have been included throughout the body of the text, in both examples and cases.
- Additional coverage of design thinking principles has been added throughout the text.
- The new **Let's Get Real** feature in each chapter presents a dilemma and asks real-world managers for their advice.
- The end-of-chapter elements have been streamlined.

What's New

Content and examples throughout the text have been revised and updated. Key content changes include the following:

Chapter 1: Introduction to Management and Organizations includes new coverage of social media and sustainability, enhanced discussion of innovation and creativity as contributors to building an adaptable organization, and a new case on Zappos's holacracy.

Module 1: Management History has a new vignette on Canada Goose, as well as updated exhibits and examples.

Chapter 2: Organizational Culture and the Organizational Environment explores new trends in organizational culture such as workplace spirituality.

Chapter 3: Managing Diversity is a new chapter adapted from latest American edition of the text and seated in the Canadian context.

Chapter 4: Managing in a Global Environment has updated information on international trade alliances and agreements, as well as a new discussion of cultural intelligence and global mindset. We've also updated the cases.

Chapter 5: Managing Entrepreneurially offers new coverage of start-ups and a discussion of how existing companies can apply the entrepreneurial approach to developing new products (drawing on lean methodologies). We've also updated vignette on Futurepreneur Canada.

Chapter 6: Managing Responsibly and Ethically includes updated information about and examples of sustainability and ethical management. We've added new cases on Tom's of Maine and Lehman Brothers.

Chapter 7: Innovation and Adaptability continues to focus on innovation to induce change and design thinking. Updated coverage of Blackberry and its fall from grace runs throughout the chapter and we've updated the cases.

Chapter 8: Decision Making has updated examples and a new case on Coca-Cola's use of big data.

Chapter 9: Foundations of Planning includes an updated vignette and a new case on the Live Strong Foundation.

Chapter 10: Managing Strategically includes a new **Management Reflection** box on big data and a new **Ethics Dilemma** about tracking consumers.

Module 2: Planning and Control Techniques has updated exhibits and examples.

Chapter 12: Managers and Communication has an enhanced focus on social media and technology, and new coverage of the impact of workplace design on communication. A new vignette looks at the use of Twitter by organizations.

Chapter 13: Managing Human Resources has updated statistics and a new case on J. C. Penny.

Chapter 14: Leadership has updated vignettes, statistics, and examples, as well as a new **Management Reflection** box on flexible leadership.

Chapter 15: Motivating Employees includes a new **Ethics Dilemma** on open-book management.

Chapter 16: Managing Groups and Teams new vignette on MLSE and the Toronto Raptors, as well as updated examples and statistics.

Chapter 17: Managerial Controls: Evidence-Based Decision Making includes a new vignette on McCain Foods and their use of big data to inform decision making, updated examples and statistics and a case on Visa's data centre.

Features

This new edition of *Management* continues to offer a rich variety of pedagogical features, including the following:

- Numbered learning outcomes at the opening of each chapter guide student learning. These are repeated in the margin at the start of each major chapter section to reinforce the learning outcome.
- A vignette opens each chapter and is threaded throughout the chapter to help students apply a story to the concepts they are learning.
- **Think About It** questions follow the vignette, as well as the return to the opening story throughout the chapter, giving students a chance to put themselves into the shoes of managers in various situations.
- **Management Reflections** are longer examples designed to enhance student learning. Some address general managerial issues, while others focus on international issues, ethics, or innovation.
- The **Summary and Implications** section is organized around the learning outcomes introduced at the beginning of each chapter.

Our end-of-chapter features provide students with a variety of opportunities to apply the material right now, even if they are not managers:

- **Review and Discussion Questions.** Students can review their understanding of the chapter content and see the application of theory to management situations.
- **Ethics Dilemma.** This exercise gives students an opportunity to consider ethical issues that relate to chapter material, including values-led management and sustainability.
- **Skills Exercise.** To reflect the importance being placed on skills, each chapter has this skills-based feature that encompasses the four management functions. The feature includes lessons about a particular skill, steps in developing the skill, a practice assignment to use the skill (often a mini-case), and a set of reinforcement assignments to further work on accomplishing the skill.
- **Working Together: Team-Based Exercise.** Students get a chance to work together in groups to solve a management challenge.
- **Learning to Be a Manager.** Students can apply chapter material to their daily lives, helping them see that planning, leading, organizing, and controlling are useful in one's day-to-day life too. This feature suggests activities and actions students can do right now to help them prepare to become a manager.
- **Case Applications.** Each chapter has two decision-focused cases that ask students to determine what they would do if they were in the situation described.
- **Continuing Case.** Each part ends with the Starbucks Continuing Case that helps reinforce the part's themes with this well-known, real-world management example. Each installment of the case ends with discussion questions.

Student Supplements

MyLab Management delivers proven results in helping individual students succeed. It provides engaging experiences that personalize, stimulate, and measure learning for each student. Students and instructors can make use of the following online resources:

- **Study Plan.** As students work through the MyLab Study Plan, they can clearly see which topics they have mastered—and, more importantly, which they need to

work on. Each question has been carefully written to match the concepts, language, and focus of the text, so students can get an accurate sense of how well they've understood the chapter content.

- **Personal Inventory Assessment (PIA).** Students learn better when they can connect what they are learning to their personal experience. PIA is a collection of online exercises designed to promote self-reflection and engagement in students, enhancing their ability to connect with concepts taught in principles of management, organizational behaviour, and human resource management classes. Assessments can be assigned by instructors, who can then track students' completions. Student results include a written explanation along with a graphic display that shows how their results compare to the class as a whole. Instructors will also have access to this graphic representation of results to promote classroom discussion.
- **NEW Mini-Simulations.** New Mini-Simulations walk students through key business decision-making scenarios to help them understand how management decisions are made. Students are asked to make important decisions relating to core business concepts. At each point in the simulation, students receive feedback to help them understand the implications of their choices in the management environment. These simulations can now be assigned by instructors and graded directly through MyLab Management.
- **MediaShare.** Consisting of a curated collection of videos and customizable, auto-scored assignments, MediaShare helps students understand why they are learning key concepts and how they will apply those in their careers. Instructors can also assign favourite YouTube clips or original content and employ MediaShare's powerful repository of tools to maximize student accountability and interactive learning, and provide contextualized feedback for students and teams who upload presentations, media, or business plans.
- **Lesson Presentations.** In some chapters, interactive Lesson Presentations allow students to study key chapter topics and work through interactive assessments to test their knowledge and mastery of marketing concepts. Robust Interactive Lesson Presentation Assignments and Discussion Questions have been created for each Interactive Lesson Presentation. Assignments and Discussion Questions for this course.
- **Learning Catalytics.** Learning Catalytics is a "bring your own device" student engagement, assessment, and classroom intelligence system. It allows instructors to engage students in class with a variety of question types designed to gauge student understanding.
- **Dynamic Study Modules.** These study modules allow students to work through groups of questions and check their understanding of foundational management topics. As students work through questions, the Dynamic Study Modules assess their knowledge and only show questions that still require practice. Dynamic Study Modules can be completed online using a computer, tablet, or mobile device.

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Stephen P. Robbins received his Ph.D. from the University of Arizona. He previously worked for the Shell Oil Company and Reynolds Metals Company and has taught at the University of Nebraska at Omaha, Concordia University in Montreal, the University of Baltimore, Southern Illinois University at Edwardsville, and San Diego State University. He is currently professor emeritus in management at San Diego State.

Dr. Robbins's research interests have focused on conflict, power, and politics in organizations, behavioural decision making, and the development of effective interpersonal skills. His articles on these and other topics have appeared in such journals as *Business Horizons*, *California Management Review*, *Business and Economic Perspectives*, *International Management*, *Management Review*, *Canadian Personnel and Industrial Relations*, and *The Journal of Management Education*.

Dr. Robbins is the world's best-selling textbook author in the areas of management and organizational behaviour. His books have sold more than 7 million copies and have been translated into 20 languages. His books are currently used at more than 1500 U.S. colleges and universities, as well as hundreds of schools throughout Canada, Latin America, Australia, New Zealand, Asia, Europe, and the Arab World.

Dr. Robbins also participates in masters track competition. Since turning 50 in 1993, he's won 23 national championships and 14 world titles. He was inducted into the U.S. Masters Track & Field Hall of Fame in 2005.



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Introduction to Management and Organizations

In this chapter, we'll introduce you to who managers are and what they do. One thing you'll discover is that the work managers do is vitally important to organizations. But you'll also see that being a manager—a good manager— isn't easy. The best companies and organizations are more flexible, more efficient, and more adaptable. After reading and studying this chapter, you will achieve the following learning outcomes.

Learning Outcomes

- 1 Explain why managers are important to an organization.
- 2 Tell who managers are and where they work.
- 3 Describe the functions, roles, and skills of managers.
- 4 Describe the factors that are reshaping and redefining the manager's job.
- 5 Explain the value of studying management.

▶▶▶ When Dani Reiss graduated with his bachelor's degree from the University of Toronto, he didn't imagine he would soon be running Canada Goose Inc., one of Canada's most successful companies. "After graduating, I wanted to be a short story writer," says Reiss. "I never wanted to join the family business."¹ Yet he started his career in 1996 with a summer job working at his father's niche clothing company. Dani took over the company in 2001, and Canada Goose has since grown from a \$3 million parka business to a \$300 million international operation featuring one of Canada's most recognizable brands. Today, Canada Goose shows no signs of slowing down. It plans to launch a new line of spring clothing and its first physical storefronts in Toronto and New York.²

Much of Canada Goose's success is tied to its brand. "I used to be a brand skeptic; I thought they were all about marketing," says Reiss. However, after speaking to customers he started to find meaning in the brand and what it represents. "I learned that people around the world really liked that it was Canadian, that it was authentic." Reiss recognizes the socially responsible role managers play in society. With over 1300 employees, Reiss's responsibility has grown beyond his family name. While competitors manufacture clothing abroad, Canada Goose clothing continues to be manufactured in Canada, and the company is committed to continuing its Canadian manufacturing operation as it expands. Canada Goose also raises money for Polar Bears International through its sales, which has become an important part of its brand.



Think About It

What kinds of skills do managers need? Put yourself in Dani Reiss's shoes. What kinds of leadership skills would you need to manage 1300 employees? Is managing in a clothing business different from managing in any other organization? What type of time management skills are needed to manage a complex manufacturing operation? Do other organizations share Reiss's commitment to society? Why or why not?

What are today's successful managers like, and what skills do they need in dealing with the problems and challenges of managing in the twenty-first century? This text is about the important work that managers do. Like many students, you've probably had a job (or two) at some time or another while working on your degree. You may also have participated in organized team sports. Your work and team experiences, regardless of where you've experienced them, are likely to have been influenced by the skills and abilities of your manager or coach. The reality facing today's managers—and that might include you in the near future—is that the world is changing. In workplaces of all types—offices, stores, labs, restaurants, factories, and the like—managers deal with changing expectations and new ways of managing employees and organizing work. In this chapter, we introduce you to managers and management by looking at (1) why managers are important, (2) who managers are and where they work, and (3) what managers do. Finally, we wrap up the chapter by (4) looking at the factors reshaping and redefining the manager's job and (5) discussing why it's important to study management.

Why Are Managers Important to an Organization?

1 Explain why managers are important to an organization.

What can a great boss do?

- Inspire you professionally and personally
- Energize you and your coworkers to accomplish things together that you couldn't get done by yourself
- Provide coaching and guidance with problems
- Provide you feedback on how you're doing
- Help you to improve your performance
- Keep you informed of organizational changes
- Change your life³

If you've worked with a manager like this, consider yourself lucky. Such a manager can make going to work a lot more enjoyable and productive. However, even managers who don't live up to such lofty ideals and expectations are important to organizations. Why? Let's look at three reasons. The first reason managers are important is because organizations need their managerial skills and abilities more than ever in uncertain, complex, and chaotic times. As organizations deal with today's challenges—the worldwide economic climate, changing technology, ever-increasing globalization, and so forth—managers play an important role in identifying critical issues and crafting responses.

For example, at LVMH, the world's luxury-goods leader, you'd expect to find a team of exceptionally talented and creative innovators like Karl Lagerfeld, Carol Lim, Marc Jacobs, and Phoebe Philo. In the luxury-goods business, creative design and prestigious brands are vital. But it takes more than that to be successful. In this competitive industry, it takes more than creative design . . . there has to be a focus on commercial potential. That's why, behind the scenes, you'd also find a team of managers who scrutinize ideas and

focus on the question: *Is this marketable?* These managers realize what is critical to success. The opposite “types” have worked together and created a successful business.⁴

Another reason why managers are important to organizations is because *they’re critical to getting things done*. For instance, AT&T has some 6750 general managers who manage the work of thousands of frontline employees.⁵ These managers deal with all kinds of issues as the company’s myriad tasks are carried out. They create and coordinate the workplace environment and work systems so that others can perform those tasks. Or, if work isn’t getting done or isn’t getting done as it should be, they’re the ones who find out why and get things back on track. And these managers are key players in leading the company into the future.

Finally, *managers do matter* to organizations! How do we know that? The Gallup Organization, which has polled millions of employees and tens of thousands of managers, has found that the single most important variable in employee productivity and loyalty isn’t pay or benefits or workplace environment—it’s the quality of the relationship between employees and their direct supervisors.⁶

In addition, global consulting firm Towers Watson found that the way a company manages and engages its people can significantly affect its financial performance.⁷ That’s scary considering another study by Towers Watson that found only 42 percent of respondents think their leaders inspire and engage them.⁸ In yet another study by different researchers, 44 percent of the respondents said their supervisors strongly increased engagement.⁹ However, in this same study, 41 percent of respondents also said their supervisors strongly decreased engagement. And a different study of organizational performance found that managerial ability was important in creating organizational value.¹⁰ So, as you can see, managers can and do have an impact—positive and negative. What can we conclude from such reports? Managers are important—and they *do* matter!

Who Are Managers and Where Do They Work?

▶ ▶ ▶ Managers may not be who or what you might expect! Managers can range in age from 18 to 80+. They run large corporations, medium-size businesses, and entrepreneurial start-ups. They’re also found in government departments, hospitals, not-for-profit agencies, museums, schools, and even nontraditional organizations such as political campaigns and music tours. Managers can also be found doing managerial work in every country on the globe. In addition, some managers are top-level managers while others are first-line managers. And today, managers are just as likely to be women as they are men; however, the number of women in top-level manager positions remains low—only 21 women were CEOs of Fortune 500 corporations in 2016.¹¹ But no matter where managers are found or what gender they are, managers have exciting and challenging jobs!

2 Tell who managers are and where they work.

Think About It

Managers fill different roles in different parts of an organization. When Dani Reiss started working at his parents’ company, he filled a number of roles ranging from stocking to supervising the factory line. Early on, he also spent time with the company’s sales managers on visits to potential customers abroad. Later, he took executive leadership of the company as the president and CEO. Having managerial experience of the different areas of the company was instrumental to Reiss’s long-run success.

By having a variety of managerial experiences, Dani Reiss was able to form an understanding of his company that was both broad and deep. He was able to not only relate to different aspects of the business, but also to form relationships with other managers and employees throughout the company. How would this knowledge affect the ways that Reiss makes decisions?

Who Is a Manager?

It used to be fairly simple to define who managers were: They were the organizational members who told others what to do and how to do it. It was easy to differentiate

managers from *nonmanagerial employees*. But it isn't quite so simple anymore. In many organizations, the changing nature of work has blurred the distinction between managers and nonmanagerial employees. Many nonmanagerial jobs now include managerial activities.¹² At General Cable Corporation's facility in Moose Jaw, Saskatchewan, for example, managerial responsibilities are shared by managers and team members. Most of the employees are cross-trained and multiskilled. Within a single shift, an employee may be a team leader, an equipment operator, a maintenance technician, a quality inspector, and an improvement planner.¹³ Or consider an organization like Morning Star Company, the world's largest tomato processor, where no employees are called managers—just 400 full-time employees who do what needs to be done and who “manage” issues such as job responsibilities, compensation decisions, and budget decisions.¹⁴ Sounds crazy, doesn't it? But it works—for this organization.

manager Someone who coordinates and oversees the work of other people so organizational goals can be accomplished

So, how *do* we define who managers are? A **manager** is someone who works with and through other people by coordinating their work activities in order to accomplish organizational goals. A manager's job is not about *personal* achievement—it's about helping *others* do their work and achieve. That may mean coordinating the work of a departmental group, or it might mean supervising a single person. It could involve coordinating the work activities of a team composed of people from several different departments or even people outside the organization, such as temporary employees or employees who work for the organization's suppliers. Keep in mind, also, that managers may have other work duties not related to coordinating and integrating the work of others. For example, an insurance claims supervisor may process claims in addition to coordinating the work activities of other claims clerks.

Types of Managers

How can managers be classified in organizations? In traditionally structured organizations (often pictured as a pyramid because more employees are at lower organizational levels than at upper organizational levels), managers can be classified as first-line, middle, or top. (See Exhibit 1-1.) At the lowest level of management, **first-line (or front-line) managers** manage the work of nonmanagerial employees who typically are involved with producing the organization's products or servicing the organization's customers. These managers often have titles such as *supervisors* or even *shift managers*, *district managers*, *department managers*, or *office managers*. **Middle managers** manage the work of first-line managers and can be found between the lowest and top levels of the

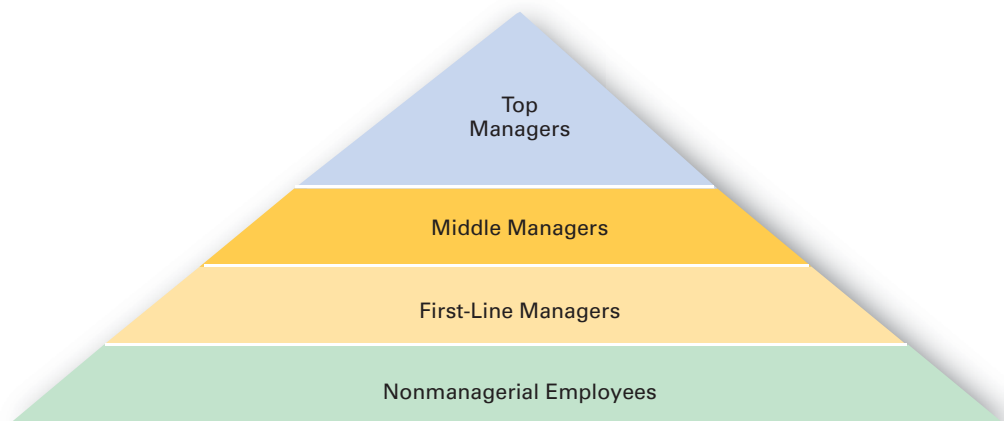
first-line (or front-line) managers

Managers at the lowest level of the organization who manage the work of nonmanagerial employees who are directly or indirectly involved with the production or creation of the organization's products

middle managers Managers between the first-line level and the top level of the organization who manage the work of first-line managers

Exhibit 1-1

Managerial Levels



organization. They may have titles such as *regional manager*, *project leader*, *store manager*, or *division manager*. At the upper levels of the organization are the **top managers**, who are responsible for making organization-wide decisions and establishing the plans and goals that affect the entire organization. These individuals typically have titles such as *executive vice president*, *president*, *managing director*, *chief operating officer*, or *chief executive officer*.

Not all organizations get work done using this traditional pyramidal form, however. Some organizations are more flexible and loosely structured with work being done by ever-changing teams of employees who move from one project to another as work demands arise. Although it's not as easy to tell who the managers are in these organizations, we do know that someone must fulfill that role—that is, there must be someone who works with and through other people by coordinating their work to accomplish organizational goals. This holds true even if that “someone” changes as work tasks or projects change or that “someone” doesn't necessarily have the title of manager.

Where Do Managers Work?

It's obvious that managers work in organizations. But what is an **organization**? It's a deliberate arrangement of people to accomplish some specific purpose. Your college or university is an organization; so are fraternities and sororities, government departments, churches, Google, your neighbourhood grocery store, the United Way, the Toronto Raptors, and your local hospital. All are considered organizations and have three common characteristics. (See Exhibit 1-2.)

First, an organization has a distinct purpose typically expressed through goals the organization hopes to accomplish. Second, each organization is composed of people. It takes people to perform the work that's necessary for the organization to achieve its goals. Third, all organizations develop a deliberate structure within which members do their work. That structure may be open and flexible, with no specific job duties or strict adherence to explicit job arrangements. For instance, most big projects at Google (at any one time, hundreds of projects are in process simultaneously) are tackled by small, focused employee teams that set up in an instant and complete work just as quickly.¹⁷ Or the structure may be more traditional—like that of Procter & Gamble or General Electric or any large corporation—with clearly defined rules, regulations, job descriptions, and some members identified as “bosses” who have authority over other members.

top managers Managers at or near the top level of the organization who are responsible for making organization-wide decisions and establishing the plans and goals that affect the entire organization

organization A deliberate arrangement of people who act together to accomplish some specific purpose

FYI

- Frontline managers directly supervise some 80 percent of the total workforce.¹⁵
- 10.8 million middle managers were in the U.S. workforce in 2012 while in Canada in the same time period, 1.6 million Canadians were employed as middle managers.¹⁶

MANAGEMENT REFLECTION FOCUS ON INNOVATION

Is It Still Managing When What You're Managing Are Robots?

While this text presents a fairly accurate description of today's workplace, you're going to spend most of your worklife in the future. What will that worklife look like? How will it be different from today? The workplace of tomorrow is likely to include workers that are faster, smarter, more responsible—and who just happen to be robots.¹⁸ Are you at all surprised by this statement? Although robots have been used in factory and industrial settings for a long time, it's becoming more common to find robots in the office, and it's bringing about new ways of looking at how work is done and at what and how managers manage. So what *would* the manager's job be like managing robots? And even more intriguing is how these “workers” might affect how human coworkers interact with them.

As machines have become smarter, researchers have been looking at human-machine interaction and how people interact with the smart devices that are now such an integral part of our professional and personal lives. One conclusion is that people find it easy to bond with a robot, even one that doesn't look or sound anything like a

real person. In a workplace setting, if a robot moves around in a “purposeful way,” people tend to view it, in some ways, as a coworker. People name their robots and can even describe the robot’s moods and tendencies. As telepresence robots become more common, the humanness becomes even more evident. For example, when Erwin Deininger, the electrical engineer at Reimers Electra Steam, a small company in Clear Brook, Virginia, moved to the Dominican Republic when his wife’s job transferred her there, he was able to still be “present” at the company via his VGo robot. Now “robot” Deininger moves easily around the office and the shop floor, allowing the “real” Deininger to do his job just as if he were there in person. The company’s president, satisfied with how the robot solution has worked out, has been surprised at how he acts around it, feeling at times that he’s interacting with Deininger himself.

There’s no doubt that robot technology will continue to be incorporated into organizational settings. The manager’s job will become even more exciting and challenging as humans and machines work together to accomplish an organization’s goals. ■

What Are the Functions, Roles, and Skills of Managers?

3 Describe the functions, roles, and skills of managers.

▶ ▶ ▶ Managers plan, lead, organize, and control, and Dani Reiss, as chief executive officer of Canada Goose, certainly carries out all these tasks. He has to coordinate the work activities of the entire company efficiently and effectively. Just as important to Reiss is his commitment to his employees and the maintenance of the brand integrity. With sales in over 50 countries, Reiss found that it made sense to find new ways of scaling for international business. In 2013, Reiss made a difficult decision to sell a majority stake in his company to Bain Capital, a Boston-based firm, while maintaining his position as CEO and a 10 percent minority stake in Canada Goose. The results have been positive, and Reiss’s decision is credited with helping the firm grow quickly¹⁹ while maintaining the brand integrity.

Think About It

As a manager, Dani Reiss needs to plan, lead, organize, and control, and he needs to be efficient and effective. How might Reiss balance the needs for growth while maintaining Canada Goose’s values? What skills are needed for him to plan, lead, organize, and control effectively? What challenges does he face performing these functions while running an international business?

So, how *do* we define who managers are? A manager is someone who works with and through other people by coordinating their work activities in order to accomplish organizational goals. A manager’s job is not about *personal* achievement—it’s about helping *others* do their work and achieve. That may mean coordinating the work of a departmental group, or it might mean supervising a single person. It could involve coordinating the work activities of a team composed of people from several different departments or even people outside the organization, such as temporary employees or employees who work for the organization’s suppliers. Keep in mind, also, that managers may have other work duties not related to coordinating and integrating the work of others. For example, an insurance claims supervisor may also process claims in addition to coordinating the work activities of other claims clerks.

Simply speaking, management is what managers do. But that simple statement does not tell us much, does it? A more thorough explanation is that **management** is coordinating work activities with and through other people so that the activities are completed *efficiently* and *effectively*. Management researchers have developed three specific categorization schemes to describe what managers do: functions, roles, and skills. In this section,

management Coordinating work activities with and through other people so the activities are completed efficiently and effectively

we consider the challenges of balancing efficiency and effectiveness, and then examine the approaches that look at what managers do. In reviewing these categorizations, it might be helpful to understand that management is something that is a learned talent, rather than something that comes “naturally.” Many people do not know how to be a manager when they first are appointed to that role.

Efficiency and Effectiveness

Efficiency refers to getting the most output from the least amount of inputs, or as management expert Peter Drucker explained, “doing things right.”²⁰ Because managers deal with scarce inputs—including resources such as people, money, and equipment—they are concerned with the efficient use of those resources by getting things done at the least cost.

It’s not enough just to be efficient, however. Management is also concerned with being effective—completing activities so that organizational goals are achieved. **Effectiveness** is often described as “doing the right things”—that is, those work activities that will help the organization reach its goals. For instance, a hospital might try to be efficient by reducing the number of days that a patient stays in the hospital. This may not be effective, however, if a patient gets sick at home shortly after being released from the hospital.

Whereas efficiency is concerned with the means of getting things done, effectiveness is concerned with the ends, or attainment of organizational goals (see Exhibit 1-2). Management is concerned, then, not only with getting activities completed and meeting organizational goals (effectiveness), but also with doing so as efficiently as possible. In successful organizations, high efficiency and high effectiveness typically go hand in hand. Poor management is most often due to both inefficiency and ineffectiveness or to effectiveness achieved despite inefficiency.

Now let’s take a more detailed look at what managers do. Describing what managers do isn’t easy. Just as no two organizations are alike, no two managers’ jobs are alike. In spite of this, management researchers have developed three approaches to describe what managers do: functions, roles, and skills.

Management Functions

According to the functions approach, managers perform certain activities or duties as they efficiently and effectively coordinate the work of others. What are these activities or functions? In the early part of the twentieth century, a French industrialist named Henri Fayol first proposed that all managers perform five functions: planning, organizing, commanding, coordinating, and controlling.²¹ (See Management History Module for more information.) Today, we use four **management functions** to describe a manager’s work: planning, organizing, leading, and controlling (see Exhibit 1-3). Let’s briefly look at each.

efficiency Getting the most output from the least amount of inputs; referred to as “doing things right”

effectiveness Completing activities so that organizational goals are achieved; referred to as “doing the right things”

management functions Planning, organizing, leading, and controlling

Exhibit 1-2

Efficiency and Effectiveness in Management

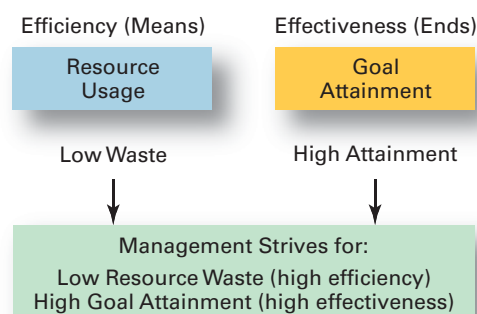
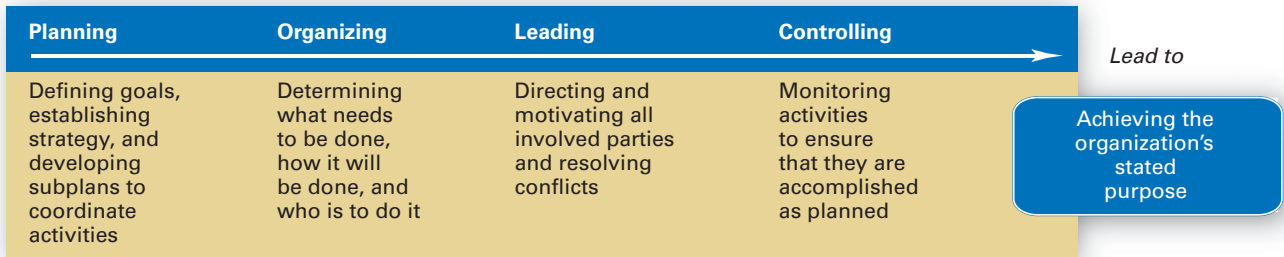


Exhibit 1-3

Management Functions



planning A management function that involves defining goals, establishing a strategy for achieving those goals, and developing plans to integrate and coordinate activities

organizing A management function that involves determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made

leading A management function that involves motivating subordinates, directing the work of individuals or teams, selecting the most effective communication channels, and resolving employee behaviour issues

controlling A management function that involves monitoring actual performance, comparing actual performance to a standard, and taking corrective action when necessary

Planning

If you have no particular destination in mind, then any road will do. However, if you have someplace in particular you want to go, you've got to plan the best way to get there. Because organizations exist to achieve some particular purpose, someone must define that purpose and the means for its achievement. Managers are that someone. As managers engage in **planning**, they set goals, establish strategies for achieving those goals, and develop plans to integrate and coordinate activities.

Organizing

Managers are also responsible for arranging and structuring work that employees do to accomplish the organization's goals. We call this function **organizing**. When managers organize, they determine what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

Leading

Every organization has people, and a manager's job is to work with and through people to accomplish goals. This is the **leading** function. When managers motivate subordinates, help resolve work group conflicts, influence individuals or teams as they work, select the most effective communication channel, or deal in any way with employee behaviour issues, they're leading.

Controlling

The final management function is **controlling**. After goals and plans are set (planning), tasks and structural arrangements are put in place (organizing), and people are hired, trained, and motivated (leading), there has to be an evaluation of whether things are going as planned. To ensure goals are met and work is done as it should be, managers monitor and evaluate performance. Actual performance is compared with the set goals. If those goals aren't achieved, it's the manager's job to get work back on track. This process of monitoring, comparing, and correcting is the controlling function.

Just how well does the functions approach describe what managers do? Do managers always plan, organize, lead, and then control? In reality, what a manager does may not always happen in this logical and sequential order. But that does not negate the importance of the basic functions that managers perform. Regardless of the order in which the functions are performed, the fact is that managers do plan, organize, lead, and control as they manage.

Although the functions approach is a popular way to describe what managers do, some have argued that it isn't relevant.²² So let's look at another perspective.

LET'S GET REAL

The Scenario:

Micah, one of your best employees, was just promoted to a managerial position. You invited him to lunch to celebrate and to see what was on his mind about his new position. Waiting for your food to arrive, you asked him if he had any concerns or questions about being a manager. Looking straight at you, Micah said, "How is being a manager going to be different? What will I do as a manager?"



Maribel Lara

Maribel Lara

Director, Account Management

How would you respond to Micah's question?

Being a manager means that you have a greater responsibility to consider, and you'll keep in mind big-picture organizational goals and how your work and that of your staff contributes to those goals. As a manager you also have a responsibility to think about development opportunities for any team members who may now report to you. How will you help to put them on a path toward growth and success? ■

Mintzberg's Managerial Roles and a Contemporary Model of Managing

Henry Mintzberg, a prominent management researcher at McGill University in Montreal, studied actual managers at work. He says that what managers do can best be described by looking at the roles they play at work. His studies allowed him to conclude that managers perform 10 different but highly interrelated managerial roles.²³ The term **managerial roles** refers to specific actions or behaviours expected of and exhibited by a manager. (Think of the different roles you play—student, employee, student organization member, volunteer, sibling, and so forth—and the different things you're expected to do in these roles.) When describing what managers do from a roles perspective, we're not looking at a specific person per se, but at the expectations and responsibilities associated with the person in that role—the role of a manager. As shown in Exhibit 1-4, Mintzberg's 10 managerial roles are grouped around interpersonal relationships, the transfer of information, and decision making.

The **interpersonal roles** involve working with people (subordinates and persons outside the organization) or performing duties that are ceremonial and symbolic in nature. The three interpersonal roles include being a figurehead, leader, and liaison. The **informational roles** involve receiving, collecting, and disseminating information. The three informational roles include monitor, disseminator, and spokesperson. Finally, the **decisional roles** involve making significant choices that affect the organization. The four decisional roles include entrepreneur, disturbance handler, resource allocator, and negotiator. As managers perform these roles, Mintzberg proposed that their activities included both reflection (thinking) and action (doing).²⁴

A number of follow-up studies have tested the validity of Mintzberg's role categories among different types of organizations and at different levels within given organizations.²⁵ The evidence generally supports the idea that managers—regardless of the type of organization or level in the organization—perform similar roles. However, the emphasis that managers give to the various roles seems to change with their organizational level.²⁶ Specifically, the roles of disseminator, figurehead, negotiator, liaison, and spokesperson are more important at the higher levels of the organization, while the leader role (as Mintzberg defined it) is more important for lower-level managers than it is for either middle- or top-level managers.

Functions vs. Roles

So which approach to describing what managers do is better—functions or roles? Each has merit. However, the functions approach still represents the most useful way of

managerial roles Specific categories of managerial behaviour

interpersonal roles Managerial roles that involve working with people or performing duties that are ceremonial and symbolic in nature

informational roles Managerial roles that involve receiving, collecting, and disseminating information

decisional roles Managerial roles that involve making significant choices that affect the organization