**Chapter 1**

**the world of Innovative Management**

**Chapter Outline**

*Manager Achievement*

I. Management Competencies for Today’s World

II. The Basic Functions of Management

A. Planning

B. Organizing

C. Leading

D. Controlling

III. Organizational Performance

IV. Management Skills

A. Conceptual Skills

B. Human Skills

C. Technical Skills

D. When Skills Fail

V. Management Types

A. Vertical Differences

B. Horizontal Differences

VI. What Is It Like to Be a Manager?

A. Making the Leap: Becoming a New Manager

B. Manager Activities

*New Manager Self-Test: Managing Your Time*

C. Manager Roles

VII. Managing in Small Businesses and Nonprofit Organizations

**Annotated Learning Objectives**

After studying this chapter, students should be able to:

1. *Describe five management competencies that are becoming crucial in today’s fast-paced and rapidly changing world.*

In recent years, rapid environmental shifts have caused a fundamental transformation in what is required of effective managers. Technological advances and the rise of virtual work, global market forces, and shifting employee and customer expectations have led to a decline in organizational hierarchies and more empowered workers, which calls for a new approach to management that may be quite different from managing in the past.

Instead of being a *controller,* today’s effective manager is an *enabler* who helps people do and be their best. Managers help people get what they need, remove obstacles, provide learning opportunities, and offer feedback, coaching and career guidance. Instead of “management by keeping tabs,” they employ an empowering leadership style. Much work in done in teams rather than by individuals, so team leadership skills are crucial. People in many organizations work at scattered locations, so managers can’t monitor behavior continually. In addition, managers sometimes are coordinating the work of people who aren’t under their direct control, such as those in partner organizations, sometimes even working with competitors. Today’s managers are also “future-facing.” That is, they design the organization and culture for creativity, adaptation, and innovation rather than maintaining the status quo. Today’s world is constantly changing, and success depends on innovation and continuous improvement.

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

The management functions are planning, organizing, leading, and controlling. Planning means defining goals for future organizational performance and deciding on the tasks and use of resources needed to attain them. The management activity associated with planning is to select goals and ways to attain them. Organizing typically follows planning and reflects how the organization will try to accomplish the plan. The management activity associated with organizing is assigning responsibility for task accomplishment. Leading is the use of influence to motivate employees to achieve the organization’s goals. The management activity associated with leading is motivating employees. Controlling means monitoring employees’ activities, keeping the organization on track toward its goals, and making corrections as needed. The management activities associated with controlling are monitoring activities and making corrections.

1. *Explain the difference between efficiency and effectiveness and their importance for organizational performance.*

Organizational effectiveness is the degree to which the organization achieves a stated objective. It means the organization succeeds in accomplishing what it tries to do. Organizational efficiency refers to the amount of resources used to achieve an organizational goal. It is based on the amount of raw material, money, and people are necessary for producing a given volume of output.

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

Conceptual skill is the mental ability to see the organization as a whole and the relationships among its parts. It is the manager’s thinking and planning ability. Conceptual skills are needed by all managers, but are especially important for top managers. Human skill is the manager’s ability to work with and through other people. It is evident in how a manager relates to other people, including the ability to motivate, facilitate, coordinate, lead, communicate, and resolve conflicts. Technical skill is the understanding of and proficiency in the performance of specific tasks such as engineering, manufacturing, or finance. Technical skills are most important at lower organizational levels.

1. *Describe management types and the horizontal and vertical differences between them.*

The management types under vertical differences are the top managers, middle managers, project managers, and first-line managers. Top managers are at the top of the organizational hierarchy and are responsible for the entire organization. A middle manager is one who works at the middle levels of the organization and is responsible for business units and major departments. A project manager is responsible for a temporary work project that involves the participation of people from various functions and levels of the organization, and perhaps from outside the company as well. First-line managers are directly responsible for the production of goods and services. Functional managers’ and general managers’ functions occur horizontally across the organization. Functional managers are responsible for departments that perform a single functional task and have employees with similar training and skills. General managers are responsible for several departments that perform different functions.

1. *Summarize the personal challenges involved in becoming a new manager.*

Becoming a new manager requires a profound transformation in the way a person thinks of himself or herself, called *personal identity*. It involves letting go of deeply held attitudes and habits and learning new ways of thinking. Some of the challenges include transitioning from thinking of oneself as a specialist who performs specific tasks to thinking of oneself as a generalist who coordinates diverse tasks, doing things yourself to getting things done through others, being an individual actor to being a network builder, and working independently to working interdependently.

1. *Define ten roles that managers perform in organizations.*

A role is a set of expectations for a manager’s behavior. The ten roles are divided into three conceptual categories: informational (managing by information), interpersonal (managing through people), and decisional (managing through information).

*Informational roles* include the functions used to maintain and develop an information network.

The *monitor* role involves seeking current information from many sources. The *disseminator* role the opposite of the monitor role. In the disseminator role, the manager transmits information to others, both inside and outside the organization. The *spokesperson* role pertains to making official statements to people outside the organization about company policies, actions, or plans.

*Interpersonal roles* refer to relationships with others and are related to human skills.

The *figurehead* role involves the handling of ceremonial and symbolic functions for the organization. The *leader* role is the relationship with subordinates, including motivation, communication, and influence. The *liaison* role is the development of information sources both inside and outside the organizations.

*Decisional roles* come into play when managers must make choices.

These roles often require both conceptual and human skills. The *entrepreneur* role involves the initiation of change. Managers seek ways to solve problems or improve operations. The *disturbance handler* role involves resolving conflict among subordinates, between managers, or between departments. The *resource allocator* role pertains to allocating resources in order to attain desired outcomes. The *negotiator* role involves formal negotiations and bargaining to attain outcomes for the manager’s unit of responsibility.

1. *Explain the unique characteristics of the manager’s role in small businesses and nonprofit organizations.*

Managers in small businesses tend to emphasize different roles from those of managers in large corporations. They see their primary roles as spokesperson and entrepreneur and tend to rate lower on the leader and information-processing roles than do their counterparts on large corporations. Because of the unique challenges that confront managers in nonprofit organizations, those managers emphasize the spokesperson, leader, and resource allocator roles.

**Lecture Outline**

1. MANAGER ACHIEVEMENT

In a world of rapid change, unexpected events, and uncertainty, organizations need managers who can build networks and pull people together toward common goals. This exercise helps students determine whether their priorities align with the demands placed on today’s managers.

1. MANAGEMENT COMPETENCIES FOR TODAY’S WORLD

In the past, managers exercised tight control over employees. But the field of management is undergoing a revolution that asks managers to do more with less, to engage employees’ hearts and minds as well as their physical energy, to see change rather than stability as natural, and to inspire vision and cultural values that allow people to create a truly collaborative and productive workplace

1. THE DEFINITION OF MANAGEMENT Exhibit 1.1

**Management** is the attainment of organizational goals in an effective and efficient manner through planning, organizing, leading, and controlling organizational resources. There are two important ideas in this definition: (1) the four functions of planning, organizing, leading, and controlling, and (2) the attainment of organizational goals in an efficient and effective manner.

Discussion Question #8: *A college professor told her students, “The purpose of a management course is to teach students about management, not to teach them to be managers.” Do you agree or disagree with this statement? Discuss.*

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IV. THE BASIC FUNCTIONS OF MANAGEMENT Exhibit 1.2

Exhibit 1.3

A. Planning

**Planning** is the management function concerned with identifying goals for future organizational performance and deciding on the tasks and use of resources needed to attain them. It defines where the organization wants to be in the future and how to get there.

1. Organizing

**Organizing** is the management function concerned with assigning tasks, grouping tasks into departments, delegating authority, and allocating resources across the organization. Organizing follows planning and reflects how the organization tries to accomplish the plan.

1. Leading

**Leading** is the management function that involves the use of influence to motivate employees to achieve the organization’s goals. It involves motivating entire departments and divisions as well as those individuals working immediately with the manager.

1. Controlling

**Controlling** is the management function concerned with monitoring employees’ activities, keeping the organization on track toward its goals, and making corrections as needed. Trends toward employment and trust of employees have led many companies to place less emphasis on top-down control and more emphasis on training employees to monitor and correct themselves. However, the ultimate responsibility for control still rests with managers.

V. ORGANIZATIONAL PERFORMANCE

1. An **organization** is a social entity that is goal directed and deliberately structured. *Social entity* means two or more people. *Goal directed* means the organization is designed to achieve some outcome or goal such as make a profit. *Deliberately structured* means tasks are divided, and responsibility for their performance is assigned to organization members.
2. The manager’s responsibility is to coordinate resources in an effective and efficient manner to accomplish the organization’s goals. Organizational **effectiveness** is the degree to which the organization achieves a *stated goal*, or succeeds in accomplishing what it tries to do. Organizational **efficiency** refers to the amount of resources used to achieve an organizational goal. It is based on the how much raw material, money, and people are necessary for producing a given volume of output. All managers have to pay attention to costs, but severe cost cutting to improve efficiency can sometimes hurt organizational effectiveness.
3. The ultimate responsibility of managers is to achieve high **performance**, which is the organization’s ability to attain its goals by using resources in an efficient *and* effective manner.

Discussion Question #5: *Think about the highly publicized safety problems at General Motors (GM). One observer said that a goal of efficiency had taken precedence over a goal of quality within this company. Do you think managers can improve both efficiency and effectiveness simultaneously? Discuss. How do you think GM’s leaders should respond to the safety situation?*

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VI. MANAGEMENT SKILLS Exhibit 1.4

1. Conceptual Skills
2. **Conceptual skill** is the cognitive ability to see the organization as a whole and the relationships among its parts. It involves knowing where one’s team fits into the total organization and how the organization fits into its environment. It means the ability to *think strategically*—to take the broad, long-term view— and to identify, evaluate, and solve complex problems.
3. Conceptual skill is especially important for top managers. Many of the responsibilities of top managers, such as decision making, resource allocation, and innovation, require a broad view.
4. Human Skills Exhibit 1.5
5. **Human skill** is the manager’s ability to work with and through other people and to work effectively as a group member. It is demonstrated in the way a manager motivates, facilitates, coordinates, leads, communicates, and resolves conflicts.
6. Human skill is important for managers at all levels, and particularly those who work with employees directly on a daily basis.
7. Technical Skills
8. **Technical skill** is the understanding of and proficiency in the performance of specific tasks. This includes mastery of the methods, techniques, and equipment involved in specific functions such as engineering, manufacturing, or finance. Technical skill also includes specialized knowledge, analytical ability, and competent use of tools and techniques to solve problems in that specific discipline.
9. Technical skills are most important at lower organizational levels and become less important than human and conceptual skills as managers are promoted.

1. When Skills Fail Exhibit 1.6
2. During turbulent times, managers must use all their skills and competencies to benefit the organization and its stakeholders.
3. Many companies falter because managers fail to listen to customers, misinterpret signals from the market, or can’t build a cohesive team.
4. The number one reason for manager failure is ineffective communication skills and practices. Especially in times of uncertainty or crisis, if managers do not communicate effectively, including listening to employees and customers and showing genuine care and concern, organizational performance and reputation suffer.

Discussion Question #1: *How do you feel about having management responsibilities in today’s world, characterized by uncertainty, ambiguity, and sudden changes or threats from the environment? Describe some skills and qualities that are important to managers in these conditions.*

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VII. MANAGEMENT TYPES Exhibit 1.7

1. Vertical Differences

For first-level managers, the main concern is facilitating employee performance. Middle managers, though, are concerned less with individual performance and more with linking groups of people, such as allocating resources, coordinating teams, or putting top management plans into action across the organization. For top-level managers, the primary focus is monitoring the external environment and determining the best strategy to be competitive.

1. **Top managers** are at the top of the organizational hierarchy and are responsible for the entire organization, with titles such as president, chairperson, executive director, CEO, and executive vice president. They are concerned with long-range planning. Responsibilities of top managers include:
2. setting organizational goals;
3. defining strategies for achieving them;
4. monitoring and interpreting the external environment;
5. making decisions that affect the entire organization;
6. communicating a shared vision for the organization;
7. shaping corporate culture; and
8. nurturing an entrepreneurial spirit.
9. **Middle managers** work at the middle levels of the organization and are responsible for business units and major departments, with titles such as department head, division head, manager of quality control, and director of the research lab. They are concerned with near-future planning.
10. The middle manager’s job has changed dramatically over the past two decades. Many organizations improved efficiency by laying off middle managers and slashing middle management levels.
11. Traditional pyramidal organization charts were flattened to allow information to flow quickly from top to bottom and decisions to be made with greater speed. In addition, technology has taken over many tasks once performed by middle managers, such as monitoring performance and creating reports.
12. Research shows that middle managers play a critical role in facilitating change and enabling organizations to respond in rapid shifts in the environment.
13. Middle managers’ status also has escalated because of the growing use of teams and projects.
14. **Project managers** are responsible for temporary work projects that involve the participation of people from various functions and levels of the organization, and perhaps from outside the company as well.
15. **First-line managers** are at the first or second management level and are directly responsible for the production of goods and services, with titles such as supervisor, line manager, section chief, and office manager. Their focus in on accomplishing day-to-day objectives. This type of managerial job might also involve motivating and guiding young, often inexperienced workers; providing assistance as needed; and ensuring adherence to company policies. Responsibilities of first-line managers include:
16. applying rules and procedures to achieve efficient production;
17. providing technical assistance; and
18. motivating subordinates.

Discussion Question #2: *Assume you are a project manager at a biotechnology company, working with managers from research, production, and marketing on a major product modification. You notice that every memo you receive from the marketing manager has been copied to senior management. At every company function, she spends time talking to the big shots. You are also aware that sometimes when you and the other project members are slaving away over the project, she is playing golf with senior managers. What is your evaluation of her behavior? As project manager, what do you do?*

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1. Horizontal Differences
2. Horizontal differences in management jobs occur across the organization in the different functional areas such as advertising, sales, finance, human resources, manufacturing, and accounting.
3. **Functional managers** are responsible for departments that perform a single functional task and have employees with similar training and skills.
4. *Line managers* are responsible for the manufacturing and marketing departments that make or sell the product or service.
5. *Staff managers* are in charge of departments such as finance and personnel, that support line departments.

1. **General managers** are responsible for several departments that perform different functions.

Discussion Question #6: *You are a bright, hard-working entry-level manager who fully intends to rise up through the ranks. Your performance evaluation gives you high marks for your technical skills, but low marks when it comes to people skills. Do you think people skills can be learned, or do you need to rethink your career path? If people skills can be learned, how would you go about doing it?*

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VIII. WHAT IS A MANAGER ‘S JOB REALLY LIKE?

1. Making the Leap: Becoming a New Manager Exhibit 1.8
2. Becoming a manager involves a profound transformation in the way people think of themselves, called personal identity, that includes letting go of deeply held attitudes and learning new ways of thinking. Specific aspects of this transformation include changing one’s identity:
3. from a specialist who performs specific tasks to a generalist who coordinates diverse tasks;
4. from things done through one’s own efforts to getting things done through other people;
5. from an individual actor to a team and network builder motivator and organizor; and
6. from working relatively independently to working in a highly interdependent manner.

Most new managers are unprepared for the variety of activities managers routinely

perform.

1. Manager Activities
   * 1. Adventures in Multi-tasking
2. Managerial activity is characterized by variety, fragmentation, and brevity. The average time spent on any one activity is less than nine minutes, and managers must be able to shift gears quickly.

*NEW MANAGER SELF-TEST: MANAGING YOUR TIME*

This exercise helps students determine whether they are better suited to work as

specialists or individual contributors, or as generalists—managers who get things done

through others.

* + 1. Life on Speed Dial

1. Managers perform a great deal of work at an unrelenting pace, requiring great energy. Most top executive routinely work at least 12 hours a day and spend 50 percent or more of their time traveling.
2. Calendars are often booked months in advance, but unexpected disturbances erupt every day.
3. Majority of executives’ meetings and other contacts are ad hoc, and even scheduled meetings are typically surrounded by other events such as quick phone calls, scanning of e-mail, or spontaneous encounters.
4. Technology, such as e-mail, text messaging, cell phones, and laptops, intensifies the pace.
   * 1. Where Does a Manager Find the Time?
5. Time is a manager’s most valuable resource, and one characteristic that identifies successful managers is that they know how to use time effectively to accomplish the important things first and the less important things later.
6. **Time management** refers to using techniques that enable you to get more done in less time and with better results, be more relaxed, and have more time to enjoy your work and your life.

c. Learning to manage their time effectively is one of the greatest challenges that new managers face.

Discussion Question #7: *If managerial work is characterized by variety, fragmentation, and brevity, how do managers perform basic management functions such as planning, which would seem to require reflection and analysis?*

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1. Manager Roles Exhibit 1.9

Exhibit 1.10

1. A **role** is a set of expectations for a manager’s behavior. Managers’ activities can be organized into ten roles. The ten roles are divided into three categories: informational, interpersonal, and decisional.

1. *Informational roles* include the functions used to maintain and develop an information network.
   1. The *monitor* role involves seeking current information from many sources.

* 1. The *disseminator* role is the opposite of the monitor role. In the disseminator role, the manager transmits information to others, both inside and outside the organization.

1. *Interpersonal roles* refer to relationships with others and are related to human skills.
   1. The *figurehead* role involves the handling of ceremonial and symbolic functions for the organization.
   2. The *leader* role encompasses the relationship with subordinates, including motivation, communication, and influence.
   3. The *liaison* role is the development of information sources both inside and outside the organizations.
2. *Decisional roles* come into play when managers must make choices. These roles often require both conceptual and human skills.
   1. The *entrepreneur* role involves the initiation of change. Managers seek ways to solve problems or improve operations.
   2. The *disturbance handler* role involves resolving conflicts among subordinates, between managers, or between departments.
   3. The *resource allocator* role pertains to allocating resources in order to attain desired outcomes.
   4. The *negotiator* role involves representing the team or department’s interests during negotiation of budgets, union contracts and purchases.

Discussion Question #4: *Why do some organizations seem to have a new CEO every year or two, whereas others have top leaders who stay with the company for many years (e.g., John Chambers at Cisco)? What factors about the manager or about the company might account for this difference?*

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IX. MANAGING IN SMALL BUSINESSES AND NONPROFIT ORGANIZATIONS

Small businesses are growing in importance. Hundreds of small businesses open every month, but the environment for small business today is highly complicated.

Small business managers tend to emphasize different roles from those emphasized by managers in large corporations. They see their most important role as that of spokesperson in promoting their business to the outside world. The entrepreneur role is also critical in small businesses because managers have to be innovative and help their organizations develop new ideas to remain competitive.

Nonprofit organizations also represent a major application of management talent. The functions of planning, organizing, leading, and controlling apply just as in other organizations. Managers in nonprofit organizations direct their efforts toward generating some kind of social impact.

Financial resources for nonprofit organizations typically come from government appropriations, grants, and donations rather than from the sale of products or services to customers. In nonprofits, services are typically provided to nonpaying clients, and a major problem for many nonprofit organizations is securing a steady stream of funds to continue operating.

In addition, because nonprofit organizations do not have a conventional *bottom line,* managers often struggle with the question of what constitutes results and effectiveness. The metrics of success in nonprofits are much more ambiguous. Managers have to measure intangibles, which also makes it more difficult to gauge the performance of employees and managers.

An added complication is that managers often depend on volunteers and donors who cannot be supervised and controlled in the same way that a business manager deals with employees.

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**Suggested Answers to End‑of‑Chapter Discussion Questions**

1. *How do you feel about having a manager’s responsibility in today’s world characterized by uncertainty, ambiguity, and sudden changes or threats from the environment? Describe some skills and qualities that are important to managers under these conditions.*

Students should understand that even with the high levels of uncertainty, ambiguity, and sudden changes or threats present in today’s environment, managers still have at least some useful information about alternative courses of action, the outcomes of those alternatives, and the likelihood of occurrence for each alternative, for each decision they face, and that information will help them make decisions that may well have a reasonably high payoff.

During turbulent times, managers must apply all their skills and competencies in a way that benefits the organization and its stakeholders. The number one reason for manager failure is ineffective communication skills and practices. Especially in times of uncertainty or crisis, if managers do not communicate effectively, including listening to employees and customers and showing genuine care and concern, organizational performance and reputation suffer.

Managers must be able to quickly find the information they need in a wide variety of situations.

Doing so requires both conceptual and technical skills, but may require a high level of human skills to create the relationships necessary to sustain the manager in times of crisis. The decision-making role becomes even more critical in this environment, as managers attempt to sort out the uncertainties and threats they face.

1. *Assume you are a project manager at a biotechnology company, working with managers from research, production, and marketing on a major product modification. You notice that every memo you receive from the marketing manager has been copied to senior management. At every company function she spends time talking to the big shots. You are also aware that sometimes when you and the other project members are slaving away over the project, she is playing golf with senior managers. What is your evaluation of her behavior? As project manager, what do you do?*

The marketing manager seems to want to move up the management hierarchy as quickly as possible. There are two behaviors illustrating this desire. Sending copies of memos to senior management helps her maintain visibility in the company and lets senior management know of her management skills and accomplishments. Socializing with senior management at company functions or on the golf course also helps her maintain high visibility. These behaviors will help her to not be overlooked when deliberations for special projects or promotions are being made by senior management. The appropriateness of her behavior is another issue. If she is performing on the joint project as promised, then what she does otherwise is her business. If you, as the research scientist, also are looking for advancement opportunities, you should try to increase visibility, also. Look for ways to do so in ways that are acceptable to senior management in this organization culture.

3 *Jeff Immelt, CEO of GE, tweeted for the first time in September 2012, prompting this response: “@JeffImmelt how come my grandfather got on twitter before you?” Do you think managers should use Twitter and other social media? Can you be an effective manager today without using new media? Why?*

Immelt seems to be suggesting that most managers have been using social media for a long time. It is an integral part of the job. Since texting and tweeting are such common ways of communicating today, a manager would be hampered if he or she were not familiar with these tools. Communicating effectively is an important part of a manager’s job, and social media is an important part of communicating in this era.

4. *Why do some organizations seem to have a new CEO every year or two, whereas others have*

*top leaders who stay with the company for many years (e.g., John Chambers at Cisco)? What*

*factors about the manager or about the company might account for this difference?*

Today’s firms are challenged by continuous change and chaos, and compete in a dynamic environment that is in continuous motion. The CEOs are confronted with continuous pressure to get results that will satisfy stockholder needs. When they fall short, they are replaced due to turbulence, internal and external environmental forces. CEOs like John Chambers of Cisco, have the vision and leadership to move the organization ahead and implement strategies to achieve desired goals. This type of CEO has the ability to get results with and through people internally, as well as to satisfy the boards of directors and stockholders of these giant organizations.

CEO factors that may account for differences in tenure center on that individual’s ability to anticipate and develop strategies to address rapidly developing changes in their external environments, as well as the internal forces of the organization. They are able to build cohesive management teams that empower employees to respond quickly to changing conditions and market developments. On an organizational level, the companies that excel in such turbulent times have strong cultures of empowerment, innovation, risk taking, and flexibility.

5. *Think about the highly publicized safety problems at General Motors (GM). One observer said that a goal of efficiency had taken precedence over a goal of quality within this company. Do you think managers can improve both efficiency and effectiveness simultaneously? Discuss. How do you think GM’s leaders should respond to the safety situation?*

Organizational effectiveness is the degree to which the organization achieves a stated goal, or succeeds in accomplishing what it tries to do. Organizational efficiency refers to the amount of resources used to achieve an organizational goal. It is based on the how much raw materials, money, and people are necessary for producing a given volume of output. The ultimate responsibility of managers is to achieve high performance, which is the organization’s ability to attain its goals by using resources in an efficient and effective manner.

Although efficiency and effectiveness are both important for performance, most people would probably say that effectiveness is the more important concept. The reason is that internal efficiency has no value if it does not enable the organization to achieve its goals and respond to the external environment. On the other hand, an organization that is effective does achieve its goals, by definition. One of these goals should involve continuously increasing efficiency.

Managers can and should improve both efficiency and effectiveness simultaneously. As noted above, one of any organization’s primary goals should be to continuously improve efficiency. To the extent that the organization increases its success in achieving this goal, along with others, its effectiveness also improves.

Toyota’s leaders should respond by increasing the company’s efficiency in reducing safety problems. Doing so will, by definition, move the company toward eliminating safety problems, which should be one of its organizational goals.

6. *You are a bright, hard-working entry-level manager who fully intends to rise up through the*

*ranks. Your performance evaluation gives you high marks for your technical skills but low*

*marks when it comes to people skills. Do you think people skills can be learned, or do you*

*need to rethink your career path? If people skills can be learned, how would you go about it?*

Although some people seem to be naturally more adept at people skills, just as some are naturally more adept at technical skills or conceptual skills, people skills can be learned and there is no reason to rethink one’s career path unless there is an unwillingness to improve in this area. People skills can be learned by taking behavioral classes, by modeling one’s interactions after a supervisor or colleague who has excellent people skills, by participating in role playing exercises, and other activities that improve one’s interactional skills.

1. *If managerial work is characterized by variety, fragmentation, and brevity, how do managers perform basic management functions such as planning, which would seem to require reflection and analysis?*

Planning is not necessarily a solitary, reflective activity, although there are certainly times when such focused planning is important. Many managers do their planning intuitively during the course of day‑to‑day activities. Managers have an overall mental image of where the department, division, or organization is going, and they use fragmented day‑to‑day information to refine the image and to nudge the organization toward it. In this way, planning is accomplished, even though it is not done in solitary reflection. In addition, top managers often delegate some of the necessary planning to assistants or to planning groups. .

1. *A college professor told her students, “The purpose of a management course is to teach students about management, not to teach them to be managers.” Do you agree or disagree with this statement? Discuss.*

Some students may believe that a college course will give them the necessary skills and abilities to be a manager. Others, especially those with management experience, will realize that they can learn about management through a course, but must learn the art of management through experience. Management courses, especially principles courses, provide the foundational knowledge upon which students can begin to develop their understanding of effective management practice. More advanced management courses can provide opportunities for students to begin practicing their skills in a relatively safe environment in much the same way that science courses provide students with the opportunity to practice their science skills through laboratory work. Still, these courses will not make competent managers of students. Skill in managing, or any other skill set, develops over time through practical experience.

1. *Discuss some of the ways organizations and jobs changed over the past ten years. What changes do you anticipate over the next ten years? How might these changes affect the manager’s job and the skills a manager needs to be successful?*

In the new workplace, work is free-flowing and flexible to encourage speed and adaptation, and empowered employees are expected to seize opportunities and solve problems. The workplace is organized around networks rather than vertical hierarchies, and work is often virtual. These changing characteristics have resulted from forces such as advances in technology and e-business, globalization, increased diversity, and a growing emphasis on change and speed over stability and efficiency. Managers need new skills and competencies in this new environment. Leadership is dispersed and empowering. Customer relationships are critical, and most work is done by teams that work directly with customers. These changes will continue over the next 10 years, driven largely by the rapidly increasing rate of technological advancement. In the new workplace, managers must focus on building relationships, which may include customers, partners, and suppliers. In addition, they must strive to build learning capability throughout the organization in order to keep up with technological developments.

1. *How might the teaching of a management course be designed to help people make the transition from individual performer to manager in order to prepare them for the challenges they will face as new managers?*

Management courses can be designed to emphasize the use of technology, the importance of work flexibility, and the tools and processes used in virtual organizations and virtual teams to achieve goals and assess performance. In addition, practical aspects of empowerment such as the training necessary to ensure empowered employees can make effective decisions that are aligned with organizational goals should be incorporated. Student activities should focus on developing collaborative environments and teamwork.

**Apply Your Skills: Experiential Exercise**

**Management Aptitude Questionnaire**

Students should complete the questionnaire using the 5‑point Likert scale.

The scale is designed to give a general idea (it is not validated) of the three management skills of conceptual, human and technical skills. Such a scale can be used as a kind of “mirror” to the student. Undergraduates, particularly, lack knowledge about what the job of a manager is. Helping them to look at these three skill areas can be of some assistance in assessing their own abilities to be good managers.

After the students score their questionnaires, you may ask them to share their scores in small groups of 4‑5 and discuss their potential strengths and weaknesses as managers. Also, you may ask them to share answers to the following questions. These questions may be used with the entire class, without any small group discussions.

1. *Why do you think the three skills are all needed to be an effective manager? Give examples of times when each one is used.*

Conceptual skills are used to understand large issues and problems, to develop vision and strategies, and to see relationships between one set of problems and others. Examples are developing strategies, analyzing the cause of problems from mounds of data, and applying theories to the situations at hand. Human skills include the ability to work with people and communicate effectively. Examples are listening, conflict resolution, running meetings, team building, mentoring, and negotiation. Technical skills include areas such as developing written plans, reading financial reports, computer and management information skills, and logistics. These skills are used in managing work processes and scheduling work flow and personnel.

1. *What do you think the ideal ranking would be of the three skills for an effective manager?*

There is no one right answer for this, since it depends on the type and level of management. Generally, human skills are considered more vital in lower‑level supervisors, and conceptual skills in executive‑level managers, but even that is only a general guideline. Managers in a software company would need more technical skills than, say, an advertising executive.

**Apply Your Skills: Small Group Breakout**

**Your Best and Worst Managers**

This exercise helps students understand how different management styles affect their behavior and motivation, ultimately impacting performance.

**Apply Your Skills: Ethical Dilemma**

**Can Management Afford to Look the Other Way?**

1. *Ignore the problem. Jacobs’s contributions to new product development are too valuable to risk losing him, and the problems over the past ten years have always worked themselves out anyway. No sense starting something that could make you look bad.*

Option 1 is the solution management has been taking for ten years, but it is taking Shellington into dangerous territory. The number and severity of complaints against Jacobs have been escalating, and continuing to ignore the problem could invite a lawsuit.

1. *Launch a full-scale investigation of employee complaints about Jacobs, and make Jacobs aware that the documented history over the past ten years has put him on thin ice.*

Harry may find that an immediate full-scale investigation is needed, even though it may temporarily disrupt company operations and hurt Shellington’s new product development.

1. *Meet with Jacobs and the employee to try to resolve the current issue, and then start working with Sally Barton and other senior managers to develop stronger policies regarding sexual harassment and treatment of employees, including clear-cut procedures for handling complaints.*

Option 3 is probably the most expedient way to deal with the current problem as well as to prevent future problems with Jacobs or others. Stronger policies and clear‑cut procedures for handling complaints are needed. However, after talking with Sally Barton and other employees confidentially, Harry may find that an immediate full-scale investigation is needed.

**Apply Your Skills: Case for Critical Analysis**

**SmartStyle Salons**

1. *What positive and negative managerial characteristics does Jamika possess?*

A manager’s job requires a range of skills that includes conceptual, human, and technical skills. During turbulent times, managers really have to stay on their toes and apply all their skills and competencies in a way that benefits the organization and stake holders— employees, investors, customers, and the community.

Jamika’s hard work and combination of skills made her the manager of the salon. Jamika’s failure to clarify direction or performance expectation from her employees is one of her negative managerial characteristics. Poor planning practices and reactionary behavior are the other negative traits that Jamika possess.

1. *How do these traits help or hinder her potential to get to the top position at Riverwood Mall Salon?*

Jamika’s failure to clarify direction or performance expectation from her employees Holly and Jean, lead to scheduling problems for the clients. This would be bad for the business and would hamper her chances to get to the top position at Riverwood Mall Salon. Poor planning practices and Jamika’s reactionary behavior would also hinder her climb up the ladder.

1. *How do you think Jamika should have handled each of the incidents with Marianne? Holly and Carol Jean? Victoria?*

Jamika should not have displayed the outburst of anger when Marianne informed her about Holly and Carol Jean’s leave, as Marianne was merely doing her job of being a receptionist. With regard to Holly and Carol Jean, Jamika should have told them about what their performance expectations were. She should have clarified about the leave scenario to them and not let them get away with unwarranted absences in the first place. Jamika should empower her team and not micromanage as in the case with Victoria. She should help Victoria in her career development rather than wanting to hide Victoria’s competencies.

**On the Job Video Case Answers**

Camp Bow Wow

1. List the three broad management skill categories and explain which skills are needed most for each of the Camp Bow Wow leaders highlighted in the video.

Three general categories of management skills are conceptual skills, human skills, and technical skills. Conceptual skill, which is the most important skill category for top managers, is the cognitive ability to see the organization as a whole system and the relationship among its parts. Human skill, which is highly important for middle managers, is the ability to work with and through other people and to work effectively as a group member. Technical skill, which is most important for first-line managers and nonmanagers, is the understanding of and proficiency in the performance of specific tasks.

While all managers at Camp Bow Wow require some degree of each of the three skill sets, Camp Bow Wow franchise owner Sue Ryan needs to have well-developed conceptual skills to think strategically about her business, to understand how it interacts with market trends, and to manage the ongoing relationship with corporate headquarters. General Manager Candace Stathis needs to specialize in human skills—especially as the primary person responsible for building good relationships with clients. Camp counselors at Camp Bow Wow need to have technical skill in managing dog care and general office work.

2. Which activities at Camp Bow Wow require high efficiency? Which activities require high effectiveness?

Effectiveness is the degree to which the organization achieves a stated goal; efficiency refers to the amount of resources used to achieve an organizational goal. A high performance company is one that achieves organizational goals to the maximum extent possible (effectiveness) while making the best use of limited resources (efficiency). According to Candace Stathis, the dog care tasks at Camp Bow Wow require high efficiency so that everything gets done on time and according to schedule. In contrast, she says customer service needs to be effective but not necessarily efficient, since overemphasis on efficiency could interfere with quality customer interactions. “Customer service has to be effective as opposed to efficient because it’s important for the owners to know that you care about their dogs,” Stathis said. “If you’re just trying to be efficient, then it’s not going to make them want to come back, and it’s not going to make them feel that you know them or their dog.” She points out that the hardest part of her job is trying to juggle the customer service side of the business with the pet care side.

3. List two activities that leaders at Camp Bow Wow perform daily, and identify which of the ten managerial roles discussed in the chapter figure prominently for each.

Answers will vary, but Candace Stathis performs the interpersonal roles of figurehead and liaison whenever she meets with dog owners. Owner Sue Ryan performs the decisional roles of entrepreneur and resource allocator in starting a franchise business and hiring managers and counselors to help her operate the new business.