**CHAPTER 1: INTRODUCING MODERN MANAGEMENT: Concepts and Skills**

**CHAPTER SUMMARY:**

*Chapter 1 begins the student’s study of management and the management process. Management can be defined in many ways: definition, process, levels, roles, skills, functions, etc. The chapter provides a discussion of the definition, functions, process, skills, tasks, and career. A major focus of the chapter is the achievement of the organization’s goals and the roles managers and the firm’s resources play in that goal achievement.*

*The chapter provides a thorough look at management as a career, as well as issues involved with women in management and dual-career couples.*

*Talk to the students about their experience with management. Are any of them currently managers or supervisors? How do they view managers and the relationship between management and employees? Are they in the class preparing for a managerial career? Are there specific industries or organizations in which they are looking to build their managerial career?*

*Ask students to identify a list of traits associated with good versus bad management. Ask them to describe their ideal manager. Also ask them to identify challenges they see that may prevent or hinder a manager from accomplishing his/her role and organizational goals.*

**CHAPTER LEARNING OBJECTIVES:**

1. An understanding of a manager’s task
2. Knowledge about the management process and organizational resources
3. An understanding of management skill as the key to management success
4. Insights concerning what management careers are and how they evolve

**TARGET SKILLS:**

**Management Skill**: the ability to work with people and other organizational resources to accomplish organizational goals

**CHAPTER OUTLINE:**

*This chapter is divided into four sections:*

1. *A Manager’s Task*
2. *Management Process and Organizational Resources*
3. *Management Skill: The Key to Management Success*
4. *Management Careers*

**A Manager’s Task:**

*This section of the chapter introduces the basics of the management task through discussions of the roles and definitions of management, the management process as it pertains to management functions and organizational goal attainment, and the need to manage organizational resources effectively and efficiently.*

* Managers influence all phases of modern organizations.
* Our society could not exist as we know it today without the work of managers to guide its organizations.
* Peter Drucker, a writer, professor, and management consultant who began writing about management in the 1960s once wrote that “effective management is probably the main resource of developed countries and the most needed resource of developing ones.” In short, all societies desperately need good managers.
* *The text discusses managerial salaries, the differences in male and female managerial wages, and the societal concerns of the size of managerial salaries. Table 1.1 and Figure 1.1 could be discussed in class to address these issues with students.*
* The Role of Management
  + The essential role of managers is to guide their organizations toward goal accomplishment
  + Additionally managers are responsible for combining and using organizational resources to ensure their organizations do achieve their purposes
  + Management moves their organization toward its purposes or goals by identifying tasks needed to be completed to attain the goals and assigning them to the human resources of the firm
  + Management’s goal is to encourage individual activities to be focused on reaching organizational goals and thus managers lead their employees toward this purpose
  + Managers also focus on activities or other factors that may get in the way of goal achievement
  + Essentially, managers never take their minds off the organizational goal and its accomplishment
* Defining Management
  + *Discuss with students the multiple ways of defining management – understanding these differentiations helps eliminate miscommunications during management-related discussions*
    - As a process followed toward accomplishing an organization’s goals
    - As a body of knowledge and information that provides insights on how to manage
    - As a reference to the individuals in organizations who guide and direct the organizations
    - As a career devoted to the task of guiding and directing organizations
  + Management is commonly defined as the process of reaching organizational goals by working with and through people and other organizational resources
  + Universally management is defined using three characteristics:
    - It is a process or series of continuing and related activities
    - It involves and concentrates on reaching organizational goals
    - It reaches these goals by working with and through people and other organizational resources
* The Management Process: Management Functions
  + Managerial Functions are the activities that make up the management process
    - Planning
      * Choosing the tasks that are performed to attain the organizational goals
      * Outlining how tasks must be performed
      * Indicating when the tasks will be performed
      * Focus is on attaining goals
      * Getting the “right” things done
      * Steering the ship in the direction of goal accomplishment
    - Organizing
      * Assigning tasks identified in the planning function to the human resources within the organization
      * Puts plans into action
      * Assigning work activities to the humans within the organization
      * Grouping tasks into departments, determining tasks and groupings of work
    - Influencing
      * Commonly also referred to as motivating, leading, directing, or actuating
      * Focus is primarily on the people within organization
      * Guiding organizational members in the directions appropriate to achieve the organizational tasks as they complete their individual job assignments
      * Overall purpose is to increase productivity
      * Workplaces with human-oriented work situations typically generate higher levels of long-term production than do task-oriented work situations
    - Controlling
      * Managers gather information regarding recent performance in the organization
      * Managers compare actual results versus planned results
      * Managers take corrective action if needed to find new ways of improving productivity
    - *Figure 1.2 shows a number of commonly made mistakes managers make when planning, organizing, influencing, and controlling*

**Management Process and Organizational Resources:**

*This section of the chapter helps students understand the interrelatedness of the managerial functions and that management uses these activities solely for reaching organizational goals.*

*Figure 1.3 illustrates this interrelationship. The Practical Challenge: Attaining Goals helps further illustrate these connections.*

* Management and Organizational Resources
  + Organizational resources are the assets available for organizations as their finished products and services work through the production system
  + Four types:
    - Human – the people who work for the organization, their skills and knowledge
    - Monetary – the amounts of money used to purchase goods and services for the organization
    - Raw materials – the ingredients used directly in the manufacturing of products
    - Capital – the machines used during the manufacturing process
  + *Figure 1.4 shows the transformation of the organization’s resources into finished products through the production process*
  + Managerial Effectiveness
    - Refers to management’s use of organizational resources in meeting organizational goals
    - When organizations use their resources to attain their goals, the managers are declared effective
    - The closer the organization comes to achieving its goals, the more effective managers are considered to be
  + Managerial Efficiency
    - The proportion of total organizational resources that contribute to productivity during the manufacturing process
    - The higher this proportion, the more efficient the manager is said to be
    - Inefficiency means wasted resources, which are typically limited
  + *Figure 1.5 illustrates the various combinations of managerial effectiveness and managerial efficiency*
* The Universality of Management
  + The principles of management are universal – they apply to organizations of all types
  + The functions of management are universal
  + The Theory of Characteristics
    - Henry Fayol wrote that all managers should possess certain characteristics – positive physical and mental qualities and special knowledge related to the organization’s operations
    - B.C. Forbes emphasized the importance of personal qualities – confidence, earnestness of purpose, faith in their own worthiness
    - *Characteristics of Henry Ford are used as an example as described by Forbes*

**Management Skill: The Key to Management Success**

*This section of the chapter provides an introduction to management by defining management skill and presenting both the classical and contemporary views of management skills thought necessary to ensure management success.*

* Defining Management Skill
  + Ability to carry out the process of reaching organizational goals by working with and through people and other organizational resources
  + Companies focus on the development of managerial skills to enhance the manager’s and organization’s abilities to achieve goals
* Management Skill: A Classic View
  + Robert L. Katz wrote the most widely accepted article about management skill – Katz believed the manager’s ability to succeed in their role is a result of their managerial skills
  + Katz identified three types of skills as being important for successful management performance
    - Technical – ability to apply specialized knowledge and expertise to work-related techniques and procedures – most closely related to working with “things” – processes or physical objects
    - Human – building cooperation with the team being led – working with people
    - Conceptual – ability to see the organization as a whole – see how various functions of the organization complement one another
  + Managers’ skills change as their levels in the organization change
    - Human skills are important across all levels of the organization
      * The common denominator of management at all levels is people
    - The importance of technical skills changes as managers move up levels in the organization and thus the demand for conceptual skills grows
* Management Skill: A Contemporary View
  + Current thought on managerial skills expands upon the classical view by taking a look at defining the major activities managers typically perform and then listing the skills necessary to carry out those activities successfully
  + Types of major activities managers perform:
    - Task-related
      * Efforts aimed at carrying out the critical management-related duties in organizations
      * Short-term planning, clarifying objectives of jobs in the organization, monitoring operations and performance
    - People-related
      * Efforts aimed at managing the people in the organization
      * Providing support and encouragement to others, providing recognition for achievements and contributions, developing skills, consulting in decision making, empowering others to solve problems
    - Change-related
      * Efforts aimed at modifying organizational components
      * Monitoring the organization’s external environment, proposing new strategies and visions, encouraging innovative thinking, taking risks to promote change
  + *Figure 1.7 illustrates 12 key skills managers should have to carry out these major management activities*
* Management Skill: A Focus of this Book
  + *There are critics who say discussing managerial skills in lists of three or the broad list shown in Figure 1.7 distract the reality managers pull from a broad range of skill sets. The listed categories are too broad.*
  + *Table 1.2 summarizes the management functions and challenges covered in the textbook and the corresponding management skills that help address them.*
  + Managers need to keep in mind the value of individual management skills vary from manager to manager, depending on the specific organizational situations faced
  + Overall, managers should spend time defining the most formidable tasks they face and sharpening the skills that will help them to successfully carry out those tasks

**Management Careers:**

*This section of the chapter focuses on providing students information on their own, individual managerial career. Also included is information on issues faced in attempting to manage the careers of others within their organizations and on career definition, career and life stages of performance, and career promotion.*

* A Definitionof Career
  + A career is a sequence of work-related positions occupied by a person over a period of their lifetime
  + Careers are cumulative – individuals accumulate successful experiences in one position and those experiences are then added to in the advanced positions the individual moves to
  + In management, positions at one level tend to be stepping-stones for positions at the next higher level
  + As individuals build careers, they should be focused on developing skills necessary to qualify for the next planned job and not simply accepting a job with the highest salary
* Career Stages, Life Stages, and Performance
  + Careers evolve through a series of stages
  + *Figure 1.8 illustrates the relationships among career stages, life stages, and performance*
    - Exploration Stage
      * Occurs at the beginning of a career
      * Time is spent in self-analysis and exploration of different types of different jobs
      * Individual is typically 15-25 years old and is working while also in some type of formal training (college or vocational)
      * Often is part-time employment aimed at understanding what a career in a particular industry or organization would look like
    - Establishment Stage
      * Individual is typically 25-45 years old
      * Productivity and performance increase in employment guided by what was learned in the Exploration Stage
      * Typically is full-time employment
      * Individuals frequently move to different jobs within the same company, to different companies, or even to different industries
    - Maintenance Stage
      * Individuals are typically 45-65 years old
      * We see either increased performance (career growth), stabilized performance (career maintenance), or decreased performance (career stagnation) in this stage
      * Organizations look for managers in this stage to experience career growth, rather than maintenance or stagnation
      * Career plateauing refers to the period of little or no apparent progress in a career – organizations need to work to eliminate this career plateauing at this stage
    - Decline Stage
      * Individuals are around 65 years old with declining productivity
      * Individuals are close to retirement, semi-retired, or fully retired
      * Performance levels may be dropping as they are more difficult to maintain – or the individual may have lost interest in their careers or have out-of-date skills
* Promoting Your Own Career
  + Planning a career path is the first step toward promoting a career
  + An ongoing process beginning with the career’s early phases and continuing throughout the career
  + A proactive rather than reactive process
  + *Table 1.3 outlines what career development responsibility, information, planning, and follow-through generally include*
* Special Career Issues
  + Women Managers
    - Must meet the same challenges in their careers as men
    - Women often lack the social contacts that are important for developing a management career
    - Have traditionally been expected to manage families and households while simultaneously handling the pressures and competition of paid employment
    - Are more likely to encounter sexual harassment in their workplaces than their male colleagues are
    - There are many management theorists who believe women may have an enormous advantage over their male colleagues as strengths often attributed to women become more and more dominant in the future
      * Emphasizing interrelationships, listening, motivating others
    - Growth in the proportion of men to women in management ranks seems to have changed very little in 10 years
      * *Table 1.4 lists seven steps management can take to help women advance in an organization*
  + Dual-Career Couples
    - Equal work and shared responsibilities of spouses
    - Requires a certain amount of flexibility on the part of the couples as well as the organizations for which they work
    - Issues may even involve the decisions on whose career takes precedence when one is offered a transfer to another city and who takes the responsibility for family concerns

***SUPPLEMENTARY IDEA FOR INDIVIDUAL ASSIGNMENT AND GROUP EXPERIENTIAL EXERCISE:***

* ***Individual Assignment –*** 
  + *Students are assigned a one-page, single-spaced response paper addressing the following two questions:*
    - *What is your view of the role of management in today’s organizations?*
    - *What is the greatest challenge you see facing managers in today’s organizations?*
    - *Tell the students they should not use the textbook or any other sources as they write this paper – you are looking to find out their current views as they begin their study of the principles of management.*
* ***Group Experiential Exercise –*** 
  + *Best Manager/Worst Manager*
    - *Form student discussion groups.*
    - *Have each group list out and share characteristics of the* ***best*** *manager they have ever worked for.*
    - *Have each group list out and share characteristics of the* ***worst*** *manager they have ever worked for.*
    - *Have each group identify similarities and differences in their lists and identify what their discussions about these characteristics reveal about effective management. Also have the students discuss if their lists contain any traits on both lists.*
    - *In conclusion, have each group share what they have found out and learned from this exercise.*

**CLASS PREPARATION AND PERSONAL STUDY:**

* Reflecting on Target Skill
  + *Students are asked to review the chapter’s target skill and learning objectives to ensure they have acquired all pertinent information within the chapter*
* Know Key Terms
  + *Key terms are listed asking students to define each of the terms*
* Know How Management Concepts Relate
  + *Students are presented with the following three essay questions and asked to answer each one completely and thoroughly.*
  + 1-1 – How can *controlling* help a manager to become more efficient?

*Controlling works hand-in-hand with planning. Managers need to ascertain whether goals set were accomplished, and controlling is the mechanism used to make this determination. The best laid plans are worthless without controlling.*

*Learning Objective: LO1.1: An understanding of a manager’s task*

* + 1-2 – What is the value in having managers at the career exploration stage within an organization? Why? The decline stage? Why?

*The* ***exploration*** *stage occurs at the beginning of a career and is characterized by self-analysis and the exploration of different types of available jobs. Managers at this stage are curious, enthusiastic, and energetic.*

*In the* ***decline*** *stage the manager’s productivity is declining. People in this stage find it difficult to maintain prior performance levels, however. Managers at this level have years of experience to contribute to an organization, if properly tapped.*

*Learning Objective: LO1.4: Insights concerning what management careers are and how they evolve*

* + 1-3 – Discuss your personal philosophy for promoting the careers of women managers within an organization. Why do you hold this philosophy? Explain any challenges that you foresee in implementing this philosophy within a modern organization. How will you overcome these challenges?

*Student answers will vary by student. Some management theorists believe that women may have an enormous advantage over men in future management situations due to the fact that strengths often attributed to women – emphasizing interrelationships, listening, and motivating others – will be the dominant virtues in the corporation of the future.*

*Learning Objective: LO1.4: Insights concerning what management careers are and how they evolve*

**Cases:**

* **An IBM Success Story: Rodney Adkins**
  + **Case Discussion Notes:**
    - *The case provides a good example of the career progression of Rodney Adkins, an IBM senior vice president in the Systems and Technology Group. Rodney was also recently considered for the position of CEO at IBM. While he did not receive the position, his managerial and leadership skills have grown and evolved during his tenure of 19 positions over 30 years with IBM.*
    - *The case discusses the stages of Rodney’s career beginning in quality assurance for IBM printers. Along his career Rodney has been mentored by senior executives at IBM helping him identify areas where he could apply his experience and areas where he needed to grow.*
    - *As a manager, Rodney focused on how IBM could deliver top quality at a competitive price while developing new products to keep the company abreast of the latest technological advances.*
    - *Rodney works through people and organizational resources to achieve IBM’s goals. In his work, Rodney engages in planning, organizing, influencing, and controlling the work of the people in his Systems and Technology Group. As an example, Rodney uses human resources, as well as money, raw materials, and machinery (capital equipment). His efforts are successful when his group is both effective and efficient. Effectiveness comes from his being successful in achieving goals and efficiency comes from minimizing the use of resources.*
    - *Rodney’s career progression through IBM came from his demonstrated management skill and the ability to carry out the process of reaching organizational goals as he worked with and through people and other organizational resources.*
    - *The case also provides a good example to reinforce with students how the technical skills needed by lower-level, first-line managers transition to the need for conceptual skills as the individual progresses upward through the organizational hierarchy. The human, interpersonal skills are needed across all levels as Rodney communicates and builds cooperation with his human resources.*
    - *Through managerial skills, managers, like Rodney, complete their task-related, people-related, and change-related activities while working toward accomplishing the goals of the firm.*
  + 1-4 – How would you describe the significance of Rodney Adkins’s work as a manager? Who benefits from his abilities and efforts?

*Rodney Adkins heads IBM’s Systems and Technology Group that accounts for $18B in revenue and employs 50,000 people. This makes him an important manager at IBM. His importance to IBM is underscored by the fact that he was considered for the Chief Executive Officer position at the company. He is responsible to his superiors for generating positive results for the Group, and, at the same time, he is responsible to the 50,000 people working under him for guidance, motivation, and support. IBM benefits from his abilities and efforts when the Group performs well and contributes to IBM’s overall performance. Likewise, his subordinates benefit from his guidance and direction, as well as mentorship.*

*Learning Objective: LO1.2: Knowledge about the management process and organizational resources*

* + 1-5 – In terms of the contemporary view of management skill, which activities and skills do you see Adkins using in his career? How do you think he acquired those skills?

*Figure 1.6 clearly identifies the skills that managers need as they move up an organization. Rodney Adkins’s 30-year IBM career demonstrates that at the supervisory or operational management level that Adkins got into after college, he had to demonstrate and use his technical skills in the area of computing. As he advanced to the middle management level, Adkins depended less on the use of technical skills and more on his human skills in directing and motivating his subordinates. Conceptual skills became important to Adkins at his current management position. In reading the case, students should be clear about the fact that Adkins realized, most likely early on, that he needed to go beyond being a technical person in order to move up the organization. He, thus, complemented his technical skills by working in non-technical areas. Also, he was helped by mentors who pointed out to him the skills that he needed to acquire in order to move up.*

*Learning Objective: LO1.3: An understanding of management skill as the key to management success*

* **Jumping into the Restaurant Industry**
  + **Case Discussion Notes:** 
    - *The case presents a great example of a manager’s use of the four managerial functions, as well as utilizing managerial skills while completing tasks. Lynn Leach is the manager in the case. Leach opened a Skyline Chili franchise in Wilmington, Ohio. Leach has seen great success with her franchise as the town of 12,000 citizens has embraced the location and Lynn’s friendly business practices built upon strong customer service and delicious offerings.*
    - *The progress Lynn showed over the year demonstrates the managerial functions. For example, Lynn had to plan many things. She needed to plan for the number of employees she would need upon the restaurant’s opening. She used organizing when hiring the staff to fill her open employee slots. Throughout the first year of operations, Lynn found she had made some wrong human resource choices when while leading the employees she saw 50% turnover in her staff. Now, Lynn trains her employees using role plays and through her leading has created a fun, yet productive atmosphere with positive feedback.*
    - *Lynn uses controlling to maintain costs and inventory management. On Mondays inventory is taken to ensure the restaurant has the necessary supplies and ingredients for the week’s forecasted food sales. Another example of cost control is the decision to stop serving half-pint cartons of milk to children after realizing they were throwing more than half the carton away. Successful restaurateurs understand that counting food costs down to the penny is critical.*
    - *Organizing is used at the restaurant by Lynn ensuring everyone chips in where needed and is able to transition from one job role to another when needed. She even allows employees to occasionally use a lottery system to trade tasks and even goes further to allow employees to assign tasks to each other.*
    - *Through Lynn’s leadership, the franchise has become successful and a valuable learning experience for her. Lynn ends the case with a quote saying, “I have to touch every facet of this business, and you know what, I love it!”*
  + 1-6 – How has Lynn used the four functions of management in building her business?

*The four management functions are planning, organizing, influencing, and controlling. Lynn has used all these functions in building her Skyline Chili franchise. She used a lot of planning to launch the franchise; and even after the restaurant opened, she used planning all the time. She organized her restaurant into different operations and assigned roles to her employees. Probably the one function that she performs on a regular basis more than the other functions is influencing. Employees are key to Skyline Chili and Lynn is constantly motivating her employees (and rewarding them with a gift card if they do well) to excel in customer service. Finally, Lynn is controlling her costs carefully, such as the milk example in the case.*

*Learning Objective: LO1.1: An understanding of a manager’s task*

* + 1-7 – Discuss the use of organizational resources (human, monetary, raw materials, and capital) in the restaurant industry. What challenges would a restaurant manager or owner face with each one?

*Every restaurant owner (as well as every business owner) requires capital to get started. Obviously, Lynn required capital to become a Skyline Chili franchisee. She needed raw materials to run her business – presumably, some bought from the franchisor and others bought locally. Assuring a constant supply of inputs (as exemplified by her Monday-morning inventory) is a challenge. Perhaps the biggest challenge, though, is with respect to human resources. Turnover is typically high in the restaurant industry and Lynn has to keep that in mind in managing her employees. She has to keep them motivated and productive.*

*Learning Objective: LO1.2: Knowledge about the management process and organizational resources*

* + 1-8 – Which of Katz’s managerial skills (technical, human, and conceptual) does Lynn seem to use most often? Why?

*It is clear from the case that human skills are what Lynn uses the most often. Managing employees is a major challenge for a restaurant owner. As a Skyline Chili franchisee, Lynn has to constantly use her human skills to influence her employees.*

*Learning Objective: LO1.3: An understanding of management skill as the key to management success*

**Experiential Exercises:**

* **Assessing Inefficiency at Ryan Homes**

*This assignment is a good assignment to use as a group activity in class. Students are assigned to read the Ryan Homes scenario in the text and then perform the listed activities. Students are asked to list five possible ways that carpenters at Ryan Homes might be inefficient. This is then followed by a list of corresponding actions the company might take to eliminate the inefficiency.*

*Information from the text about the carpenters is as follows:*

Carpenters are craftsmen who build things. The occupation rewards those who can combine precise detail work with strenuous manual labor. For Ryan, carpenters are involved with erecting and maintaining houses. Carpenters turn blueprints and plans into finished houses. Ryan’s carpenters work with supervisors and construction managers on the production of houses containing different materials including fiberglass, drywall, plastic, and wood. Carpenters use saws, tape measures, drills, and sanders in their jobs. The job of a carpenter can entail long hours of physical labor in sometimes unpleasant circumstances. The injury rate among carpenters is above average. Some carpenters work indoors and are involved in maintenance and refinishing; others are involved in creating the frame and infrastructure.

*Student responses will vary although one example might be safety. The injury rate among carpenters is above average. The corresponding action the company might take to eliminate this inefficiency is to do regular safety training programs for carpenters.*

*Learning Objective: LO1.2: Knowledge about the management process and organizational resources*

* **You and Your Career – Planning Skill and Your Career**

*Student responses will vary for this assignment. They are asked to respond to the following questions:*

* + *Do you think a person’s salary is a valid measure of career progress? Why or why not?*
  + *List three other factors that you should use as measures of your career progress. In your opinion, which is the most important factor in determining our progress? Why?*
  + *How would you monitor changes in these factors as your career progresses?*

*Student responses will vary, although as undergraduate students who are eyeing their first career job, salary may seem like the most important measure of one’s career progress. Factors such as responsibility and autonomy may be important factors, though.*

*Learning Objective: LO1.4: Insights concerning what management careers are and how they evolve*

* **Building Your Management Skills Portfolio – Managing the Blind Pig Bar**

*Students are asked to be in the role of a new manager hired at the Blind Pig Bar. They are then asked to identify five issues related to each management function that they would check on upon arriving at the Blind Pig.*

Planning Issues to Inspect*–**Student responses will vary but could include the following: Goals set for the bar, Resource availability, Planning process for front of the house/back of the house, Environmental analysis of competition/customer needs, Inventory ordering process, Forecasting process*

* + 1-9
  + 1-10
  + 1-11
  + 1-12
  + 1-13

Organizing Issues to Inspect *– Student responses will vary but could include the following: Type of employee scheduling used, Distribution of labor of tasks, Breakdown of authority and span of management, Departmentalization used*

* + 1-14
  + 1-15
  + 1-16
  + 1-17
  + 1-18

Influencing Issues to Inspect – *Student responses will vary but could include the following: Personality and value assessment of employees, Leadership styles, Compensation and benefit offerings for employees and management, Motivation incentives used*

* + 1-19
  + 1-20
  + 1-21
  + 1-22
  + 1-23

Controlling Issues to Inspect – *Student responses will vary but could include the following: Inventory tracking systems, Monitoring and measuring procedures used*

* + 1-24
  + 1-25
  + 1-26
  + 1-27
  + 1-28

Assuming you change the scheduling system used at the Blind Pig, explain how that change affects your organizing, influencing, and controlling activities

*Organizing, influencing, and controlling activities are all interrelated. Changing the scheduling system would impact these functions.*

*Learning Objective: LO1.2: Knowledge about the management process and organizational resources*