Chapter 1
Managers and the Management Process
Chapter 1

- What does it mean to be a manager?
- What do managers do and what skills do they use?
- What are some important career issues in the new workplace?
What it means to be a manager

- Organizations have different types and levels of managers
- Accountability is a cornerstone of managerial performance
- Effective managers help others achieve performance and satisfaction
- Managers must meet multiple and changing expectations
THE MEANING OF MANAGEMENT

Types and Levels of Management

TYPICAL BUSINESS
Board of directors
- Chief executive officer
- President
- Vice president
- Division manager
- Regional manager
- Plant manager
- Department head
- Supervisor
- Team leader

TYPICAL NONPROFIT
Board of trustees
- Executive director
- President, administrator
- Vice president
- Division manager
- Regional manager
- Branch manager
- Department head
- Supervisor
- Team leader

Top managers
Middle managers
First-line managers
Nonmanagerial workers
THE MEANING OF MANAGEMENT

Accountability

- Accountability
  - The requirement of one person to answer to a higher authority for performance achieved in his or her area of work responsibility.
Effective Management

• Effective Managers
  – Meet both performance and satisfaction goals.
    • Performance relates to achieving organizational goals
    • Satisfaction relates to QWL (quality of work life)
THE MEANING OF MANAGEMENT

Effective Management

• The Upside-Down Pyramid
  – The manager as a coach
  – Customers and non-managerial workers are at the top
1.2 What Managers Do

- Managerial work is intense and demanding
- Managers plan, organize, lead and control
- Managers enact informational, interpersonal and decisional roles
- Managers pursue action agendas and engage in networking
- Managers use a variety of technical, human, and conceptual skills
- Managers can and should learn from experience
WHAT MANAGERS DO

The Management Process

• Planning
  – The process of setting performance objectives and determining what actions should be taken to achieve them.

• Organizing
  – The process of assigning tasks, allocating resources and coordinating the activities of individuals and groups.

• Leading
  – The process of arousing people’s enthusiasm to work hard and inspiring their efforts to fulfill plans and accomplish objectives.

• Controlling
  – The process of measuring work performance, comparing results to objectives and taking corrective action.
WHAT MANAGERS DO

The Management Process

- **Planning**: Setting performance objectives and deciding how to achieve them
- **Organizing**: Arranging tasks, people, and other resources to accomplish the work
- **Leading**: Inspiring people to work hard to achieve high performance
- **Controlling**: Measuring performance and taking action to ensure desired results
WHAT MANAGERS DO

Management Roles

• Management Styles

- **INTERPERSONAL ROLES**
  - How a manager interacts with other people
  - Figurehead
  - Leader
  - Liaison

- **INFORMATIONAL ROLES**
  - How a manager exchanges and processes information
  - Monitor
  - Disseminator
  - Spokesperson

- **DECISIONAL ROLES**
  - How a manager uses information in decision making
  - Entrepreneur
  - Disturbance handler
  - Resource allocator
  - Negotiator
WHAT MANAGERS DO

Management Skills

• Technical Skills
  – The ability to use a special proficiency or expertise to perform particular tasks.

• Conceptual Skills
  – The ability to think critically and analytically.

• Human Skills
  – The ability to work with others.
  – A high level of emotional intelligence
### Management Skills

<table>
<thead>
<tr>
<th>Lower level managers</th>
<th>Middle level managers</th>
<th>Top level managers</th>
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</thead>
<tbody>
<tr>
<td><strong>Conceptual skills</strong>—The ability to think analytically and achieve integrative problem solving</td>
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<tr>
<td><strong>Human skills</strong>—The ability to work well in cooperation with other persons; emotional intelligence—the ability to manage ourselves and relationships effectively</td>
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<tr>
<td><strong>Technical skills</strong>—The ability to apply expertise and perform a special task with proficiency</td>
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WHAT MANAGERS DO

Management Skills

- Emotional Intelligence
  - The ability to manage ourselves and our relationships effectively

<table>
<thead>
<tr>
<th>Skill</th>
<th>Description</th>
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<tbody>
<tr>
<td>Self awareness</td>
<td>• understanding moods, emotions</td>
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<tr>
<td>Self regulation</td>
<td>• thinking before acting, controlling disruptive impulses</td>
</tr>
<tr>
<td>Motivation</td>
<td>• working hard and persevering</td>
</tr>
<tr>
<td>Empathy</td>
<td>• understanding emotions of others</td>
</tr>
<tr>
<td>Social skills</td>
<td>• gaining rapport and building good relationships</td>
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1.3

Key Issues and Concerns

• Globalization and job migration are changing the world of work
• Failures of ethics and corporate governance are troublesome
• Diversity and discrimination are continuing social priorities
• Intellectual capital and self-management skills are essential for career success
KEY ISSUES AND CONCERNS

Globalization

• Globalization
  – The worldwide independence of resource flows, product markets and business competition.

• Global Outsourcing
  – Purchasing products or subcontracting labor to foreign countries.

• Job Migration
  – The shifting of jobs from one country to another.
KEY ISSUES AND CONCERNS

Ethics and Corporate Governance

• Ethics
  – A code of moral standards of conduct for what is “good” and “right” as opposed to what is “bad” or “wrong”.

• Corporate Governance
  – The active oversight of management decisions, corporate strategy and financial reporting by the Board of Directors.
KEY ISSUES AND CONCERNS

Ethics and Corporate Governance

• Ethical Issues and Concerns
  – Failures of Business Leaders
    • AIG
    • Madoff Securities
  – Failures in Corporate Governance
    • Board of Directors
    • Board of Trustees
KEY ISSUES AND CONCERNS

Diversity

• **Workforce Diversity**
  • The composition of a workforce in terms of differences among the members, such as gender, age, race, ethnicity, religion, sexual orientation, and ableness.

• **Discrimination**
  • The holding of negative, irrational attitudes regarding people who are different from us
**Diversity**

- **Women** earn some 60% of college degrees, hold 50.6% of managerial jobs, and hold 15.7% of board seats at *Fortune* 500 companies; women of color hold 3.2% of board seats and only 4% of firms have two women of color on their boards.

- For each $1 earned by men, women earn 77 cents; African-American women earn 64 cents, and Hispanic women earn 52 cents.

- The median compensation of female CEOs in North American firms is 85% that of males; in the largest firms it is 61%

- African Americans are 11.5% of the workforce, and hold 8.3% of managerial and professional jobs.

- Asian Americans are 4.7% of the workforce, and hold 6.3% of managerial and professional jobs.

- Hispanics are 11.1% of the workforce, and hold 5% of managerial jobs.
KEY ISSUES AND CONCERNS

Diversity

• Prejudice
  – The display of negative irrational attitudes toward women and minorities.

• The Glass Ceiling
  – An invisible barrier limiting career advancement among women and minorities.
KEY ISSUES AND CONCERNS

Intellectual Capital

- Intellectual Capital
  - The collective brainpower or shared knowledge of an organization’s workforce.

**Intellectual Capital = Competency x Commitment**
KEY ISSUES AND CONCERNS

Intellectual Capital

• Knowledge Workers
  – Minds and intellect are key assets to employers.

• Free Agent Economy
  – People change jobs more often and many work as independent contractors for a mix of employers.

• Self Management
  – The ability to understand oneself, exercise initiative, accept responsibility and learn from experience.
KEY ISSUES AND CONCERNS

Intellectual Capital

• Shamrock Organization
  – operates with a core group of full-time long-term workers supported by others who work on contracts and part-time employees.