I. ARE YOU READY TO BE A MANAGER?

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.

II. WHY INNOVATION MATTERS

To gain or keep a competitive edge, managers have renewed their emphasis on innovation. Innovations in products, services, management systems, productions processes, corporate values, and other aspects of the organization are what keep companies growing, changing, and thriving. Without innovation, no company can survive over the long run.

III. THE DEFINITION OF MANAGEMENT

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 FOUR MANAGEMENT FUNCTIONS

A. Planning

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

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

C. Leading

1. **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.

D. Controlling

1. **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.

V. ORGANIZATIONAL PERFORMANCE

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.

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 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.

**Discussion Question #5:** Is efficiency and effectiveness more important to organizational performance? Can managers improve both simultaneously?

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VI. MANAGEMENT SKILLS

Exhibit 1.2
A. Conceptual Skills

1. **Conceptual skill** is the cognitive ability to see the organization as a whole and the relationships among its parts. It involves the manager’s thinking, information processing, and planning abilities, and means the ability to think strategically—to take the broad, long-term view.

2. Conceptual skill is especially important for top managers.

B. Human Skills

1. **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. As globalization, workforce diversity, uncertainty, and societal turbulence increase, human skills become even more crucial.

2. Human skill is important for managers at all levels, and particularly those who work with employees directly on a daily basis.

C. Technical Skills

1. **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.

2. Technical skill is most important at lower organizational levels and become less important than human and conceptual skills as managers are promoted.

D. When Skills Fail

1. During turbulent times, managers must use all their skills and competencies to benefit the organization and its stakeholders.

2. Many companies falter because managers fail to listen to customers, misinterpret signals from the market, or can’t build a cohesive team and execute a strategic plan.

3. Perhaps the biggest blunder is the managers’ failure to comprehend and adapt to the rapid pace of change in the world around them. A related problem is top managers who create a climate of fear so that people are afraid to tell the truth; bad news gets hidden and market signals are missed.
4. Other management missteps include poor communication and failure to listen, treating people as instruments, suppressing dissent, and the inability to build a management team characterized by mutual trust and respect.

Discussion Question #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.

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VII. MANAGEMENT TYPES

A. Vertical Differences

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:

   a. setting organizational goals;
   b. defining strategies for achieving them;
   c. monitoring and interpreting the external environment;
   d. making decisions that affect the entire organization;
   e. communicating a shared vision for the organization;
   f. shaping corporate culture; and
   g. nurturing an entrepreneurial spirit.

2. **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. Responsibilities of middle managers center on implementing strategies and policies defined by top managers.

   a. Research shows that middle managers play a critical role in facilitating change and enabling organizations to respond in rapid shifts in the environment.
b. Successful middle managers are constructively critical of the status quo, have a significant personal power, are versatile, and rate high in emotional intelligence.

3. **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.

4. **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 is on accomplishing day-to-day objectives. Responsibilities of first-line managers include:
   
   a. applying rules and procedures to achieve efficient production;

   b. providing technical assistance; and

   c. 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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**B. Horizontal Differences**

1. Horizontal differences in management jobs occur across the organization in the different functional areas such as advertising, sales, finance, human resources, manufacturing, and accounting.

2. **Functional managers** are responsible for departments that perform a single functional task and have employees with similar training and skills.

   a. Line managers are responsible for employees who make or provide a product or service.

   b. Staff managers are in charge of departments such as finance and personnel that support line departments.
3. **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 it?

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VIII. WHAT IS IT LIKE TO BE A MANAGER? Exhibit 1.4

A. Making the Leap: Becoming a New Manager

1. 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:

   a. from a specialist who performs specific tasks to a generalist who coordinates diverse tasks;

   b. from doing things oneself to getting things done through others;

   c. from an individual actor to a network builder; and

   d. from working relatively independently to working in a highly interdependent manner.

B. Manager Activities

1. Most new managers are unprepared for the variety of activities managers routinely perform.

   a. 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. Managers perform a great deal of work at an unrelenting pace, requiring great energy.

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?
C. Manager Roles

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.

2. **Informational roles** include the functions used to maintain and develop an information network.
   a. The **monitor** role involves seeking current information from many sources.
   b. 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.
   c. The **spokesperson** role pertains to making official statements to people outside the organization about company policies, actions, or plans.

3. **Interpersonal roles** refer to relationships with others and are related to human skills.
   a. The **figurehead** role involves the handling of ceremonial and symbolic functions for the organization.
   b. The **leader** role is the relationship with subordinates including motivation, communication, and influence.
   c. The **liaison** role is the development of information sources both inside and outside the organizations.

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

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., Jack Welch’s 20 years as CEO at General Electric)? What factors about the manager or about the company might account for this difference?

IX. MANAGING IN SMALL BUSINESSES AND NONPROFIT ORGANIZATIONS

Small companies have difficulty developing the managerial dexterity needed to survive in a turbulent environment.

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.

Nonprofit organizations 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.

The spokesperson role is heavily emphasized in nonprofit organizations to “sell” the organization, similarly to small businesses, except that in nonprofit organizations the goal is to increase awareness of the organization’s mission, increase the scope of its impact, and generate additional resources rather than to increase the consumer base.

X. MANAGEMENT AND THE NEW WORKPLACE

A. New Workplace Characteristics
1. The old workplace was characterized by routine, specialized tasks, and standardized control procedures. The organization was coordinated through the vertical hierarchy, with decision-making authority residing almost exclusively in upper-level managers.

2. The primary characteristic of the new workplace is the digitization of business. The new workplace is further characterized by free-flowing work, flexibility, and flatter structures. Empowered employees make decisions based on widespread information. The valued worker is one who learns quickly, shares knowledge, and is comfortable with risk, change, and ambiguity.

3. The most striking change now affecting organizations and management is technology. Technology enables companies to shift significant chunks of what were once considered core functions to outsiders via outsourcing, joint ventures, and other complex alliances.

B. New Management Competencies

1. Managers must rethink their approach to organizing, directing, and motivating employees.

   a. Today’s best managers give up their command-and-control mindset to focus on coaching and providing guidance, creating organizations that are fast, flexible, innovative, and relationship oriented.

2. Leadership is dispersed throughout the organization, and managers empower others to gain the benefit of their ideas and creativity

3. Success in the new workplace depends on the strength and quality of collaborative relationships, and managers realize the importance of staying connected to employees and customers.

4. Team-building skills are crucial for today’s managers.

5. An important management challenge is to build a learning organization by creating an organizational climate that values experimentation and risk-taking, applies current technology, tolerates mistakes and failure, and rewards nontraditional thinking and knowledge sharing.

**Discussion Question #9:** Discuss some of the ways organizations and jobs changed over the past 10 years. What changes do you anticipate over the next 10 years? How might these changes affect the manager’s job and the skills a manager needs to be successful?

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