chapter

1

Introducing Modern Management

CONCEPTS AND SKILLS

Target Skill

management skill: the ability to work with people and other organizational resources to accomplish organizational goals

objectives

To help build my *management skill*, when studying this chapter, I will attempt to acquire:

1. An understanding of the importance of management to society and individuals

2. An understanding of the role of management

3. An ability to define management in several different ways

4. An ability to list and define the basic functions of management

5. Working definitions of managerial effectiveness and managerial efficiency

6. An understanding of basic management skills and their relative importance to managers

7. An understanding of the universality of management

8. Knowledge of skills that help managers become successful

9. Insights concerning what management careers are and how they evolve

CHALLENGE CASE

UNIVERSAL OPENS HARRY POTTER THEME PARK

AFTER MONTHS OF MEDIA SPECULATION and then additional months in development, Universal Studios debuted its latest theme park, "The Wizarding World of Harry Potter." The park opened in June 2010 at the Universal Orlando Resort in Florida, in what Universal calls "a theme park within a theme park."[1]

The new park, developed as a partnership between Warner Bros. Entertainment Inc. and Universal Orlando Resort, creates the world's first fully immersive Harry Potter–themed environment based on the best-selling books by J. K. Rowling and wildly successful feature films from Warner Bros. The author worked with a creative team to make sure the park resembles her work.[2]

Pressure to build an attraction that is true to the Harry Potter brand was intense, as Universal's chairperson, Tom Williams, noted. However, early visitors to the park claim it has successfully captured the smells, sounds, and texture of Hogwarts Castle and the Forbidden Forest. Universal reportedly worked closely with Warner Bros. to ensure that marketing for the new park (launched in the form of advertising during the 2010 Super Bowl) aligned closely with the global Harry Potter brand. The 20-acre facility includes "meticulously re-created" versions of Hogwarts Castle and other settings from the series, along with amusements, dining, and shopping. Rides include Harry Potter and the Forbidden Journey, Flight of the Hippogriff, and a pair of high-speed roller coasters known as Dragon Challenge.[3]

The power of the Harry Potter brand is impressive. Rowling has sold more than 400 million Harry Potter books in more than 63 languages, and the movies have generated billions of dollars in revenues.[4] An estimated 8 out of 10 people already recognize the Harry Potter name, which is also an important draw for park visitors.[5]

Industry observers say the Harry Potter theme park is an attempt by Universal to better compete with Walt Disney World, the leading attraction in Orlando with more than 45 million visitors in a recent year—as compared with Universal's Orlando park figures of just over 11 million during the same period.[6]

Going from concept to the reality of operating a profitable enterprise, however, is a formidable challenge that rests squarely in the hands of management. Management must avoid classic mistakes such as recruiting the wrong employees, not creating a motivating work environment, and failing to keep the park's many systems operating properly. Competent managers will meet the challenge, whereas incompetent management will not. Only time will tell.
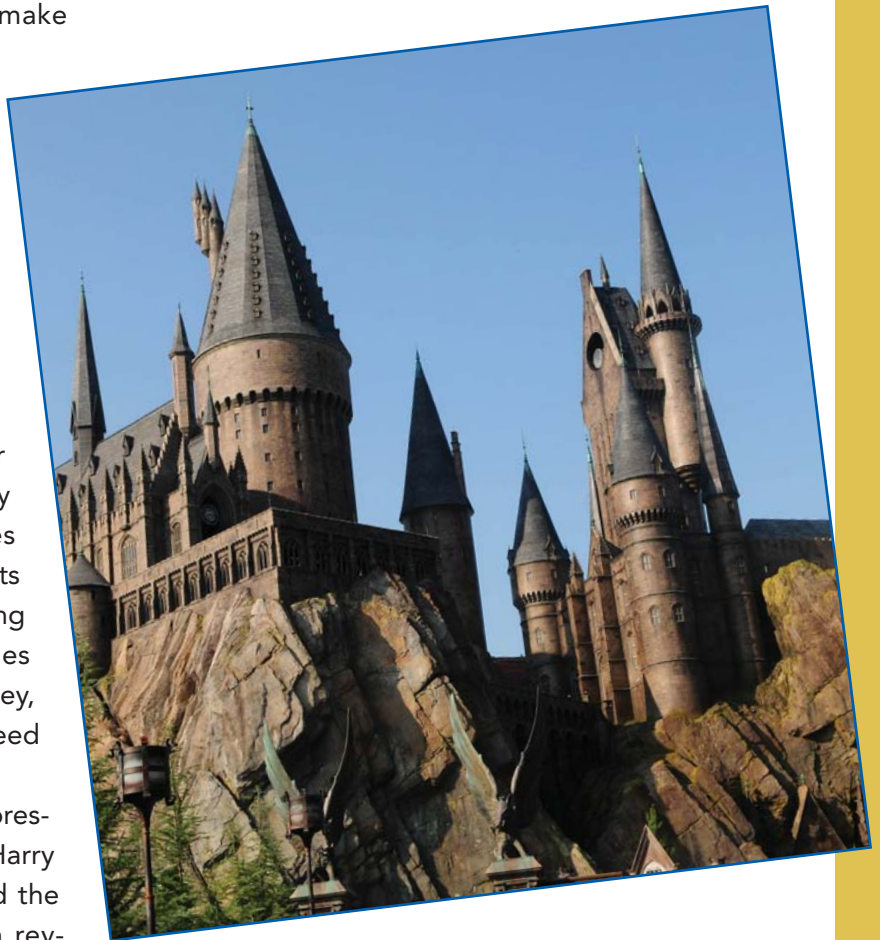
■ *Bringing a massive project like a new Harry Potter theme park to life requires many types of management skills at all levels of the organization.*

EXPLORING YOUR MANAGEMENT SKILL

You can explore your level of *management skill* **before** studying the chapter by completing the exercise "Exploring Your Management Skill: Part 1" on page 21 and **after** studying this chapter by completing the exercise "Exploring Your Management Skill: Part 2" on page 22.

THE MODERN MANAGEMENT CHALLENGE

The Challenge Case illustrates just a few of the challenges that face Universal Orlando management at its new Harry Potter theme park. The remaining material in this chapter explains the basic concepts of modern management and helps to develop the corresponding management skill you will need to meet such challenges throughout your career. After studying chapter concepts, read the Challenge Case Summary at the end of the chapter to help you to relate chapter content to meeting the management challenges at "The Wizarding World of Harry Potter."

THE IMPORTANCE OF MANAGEMENT

Managers influence all phases of modern organizations. Plant managers run manufacturing operations that produce the clothes we wear, the food we eat, and the automobiles we drive. Sales managers maintain a salesforce that markets goods. Personnel managers provide organizations with a competent and productive workforce. The "jobs available" section in the classified advertisements of any major newspaper describes many different types of management activities and confirms the importance of management (see Figure 1.1).

FIGURE 1.1
The variety of management positions available

SR. MANAGEMENT DEVELOPMENT SPECIALIST

We are a major metropolitan service employer of over 5,000 employees seeking a person to join our management development staff. Prospective candidates will be degreed with 5 to 8 years experience in the design, implementation, and evaluation of developmental programs for first-line and mid-level management personnel. Additionally, candidates must demonstrate exceptional oral and written communications ability and be skilled in performance analysis, programmed instruction, and the design and implementation of reinforcement systems.

If you meet these qualifications, please send your résumé, including salary history and requirements to:

Box RS-653
An Equal Opportunity Employer

BRANCH MGR

$30,500. Perceptive pro with track record in administration and lending has high visibility with respected firm.
Box PH-165

AVIATION FBO MANAGER NEEDED

Southeast Florida operation catering to corporate aviation. No maintenance or aircraft sales—just fuel and the best service. Must be experienced. Salary plus benefits commensurate with qualifications. Submit complete résumé to:
Box LJO688

DIVISION CREDIT MANAGER

Major mfg. corporation seeks an experienced credit manager to handle the credit and collection function of its Midwest division (Chicago area). Interpersonal skills are important, as is the ability to communicate effectively with senior management. Send résumé with current compensation to:
Box NM-43

ACCOUNTING MANAGER

Growth opportunity. Michigan Ave. location. Acctg. degree, capable of supervision. Responsibilities include G/L, financial statements, inventory control, knowledge of systems design for computer applications. Send résumé, incl. salary history to:
Box RJM-999
An Equal Opportunity Employer

THE MANAGEMENT TASK

In addition to understanding the significance of managerial work to themselves and society and its related benefits, prospective managers need to know what the management task entails. The sections that follow introduce the basics of the management task through discussions of the role and definition 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.

Our society could neither exist as we know it today nor improve without a steady stream of managers to guide its organizations. Peter Drucker emphasized this point when he stated that effective management is probably the main resource of developed countries and the most needed resource of developing ones.[7] In short, all societies desperately need good managers.

Management is important to society as a whole as well as vital to many individuals who earn their livings as managers. Government statistics show that management positions have increased from approximately 10 percent to 18 percent of all jobs since 1950. Managers come from varying backgrounds and have diverse educational specialties. Many people who originally trained to be accountants, teachers, financiers, or even writers eventually make their livelihoods as managers. Although in the short term, the demand for managers varies somewhat, in the long term, managerial positions can yield high salaries, status, interesting work, personal growth, and intense feelings of accomplishment.

Over the years, *Forbes* magazine has become well known for its periodic rankings of total compensation paid to top managers in the United States. Based on the 2009 *Forbes* compensation study, Table 1.1 shows the names of the 10 most highly paid chief executives, the company they worked for, and how much they earned. In the study, total compensation includes factors such as salary, bonuses, and stock options.

An inspection of the list of highest paid executives in Table 1.1 reveals that the executives are all men. Based on the results of a recent survey at the *Wall Street Journal*, Figure 1.2 illustrates a broad salary gap between men and women. According to Figure 1.2, while women and men make up roughly the same proportion of the workforce, men hold a disproportionate number of higher paying jobs. In addition, a recent study by the American Association of University Women indicated that the discrepancy between the pay of men versus women is a national phenomenon and is not isolated to a particular state or region.[8]

TABLE 1.1 The 10 Highest Compensated CEOs, 2009

Ranking	CEO Name	Company Name	Paid ($ millions)
1	Lawrence J. Ellison	Oracle	$556.98
2	Ray R. Irani	Occidental Petroleum	222.64
3	John B. Hess	Hess	154.58
4	Michael D. Watford	Ultra Petroleum	116.93
5	Michael G. Papa	EOG Resources	90.47
6	William R. Berkley	Berkley	87.48
7	Matthew K. Rose	Burlington Santa Fe	68.62
8	Paul J. Evanson	Allegheny Energy	67.26
9	Hugh Grant	Monsanto	64.60
10	Robert W. Lane	Deere & Co.	61.30

Source: "CEO Compensation," *Forbes,* April 22, 2009, http://www.forbes.com.
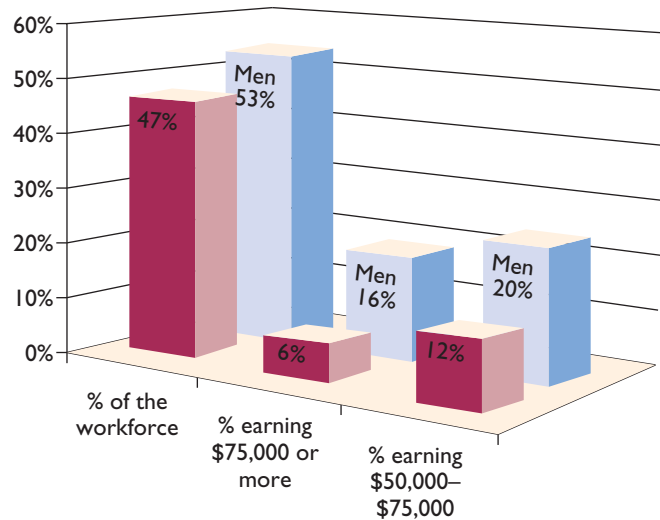
FIGURE 1.2
The salary gap between genders

Predictably, concerns that certain managers are paid *too* much have been raised. For example, consider the notable criticism in recent years regarding the high salary paid to Robert R. Nardelli, former CEO of Home Depot.[9] Disapproval of the excessive compensation paid to Nardelli surfaced in the popular press as well as in statements by stockholders. An article in the *Wall Street Journal,* for example, questioned whether Nardelli was worth the amount he received.[10] Nardelli had been paid $63.5 million during a five-year period at Home Depot, while company shares lost 6 percent of their value. In the end, as with any manager, Nardelli's compensation should be determined by how much value he adds to the company. The more value he adds, the more compensation he deserves. As a result of the growing criticism about Nardelli's compensation and Nardelli's resistance to modify his compensation level, he was fired. ■

Some evidence suggests that societal concern about management compensation goes well beyond one manager at one company.[11] A recent Senate Commerce Committee meeting, for example, focused on justifying lavish pay programs for managers at companies such as Tyco International and American Airlines, whose companies were in financial trouble and laying off employees. Senators seemed unified in questioning the logic that justifies the average chief executive officer salary being more than 400 times higher than a production worker's wages. This Senate Committee meeting should be an important signal that managers who do not exercise judicious self-control about their salaries may face future legislative control.

The Role of Management

Essentially, the role of managers is to guide organizations toward goal accomplishment. All organizations exist for certain purposes or goals, and managers are responsible for combining and using organizational resources to ensure that their organizations achieve their purposes. Management moves an organization toward its purposes or goals by assigning activities organization members perform. If the activities are designed effectively, the production of each individual worker will contribute to the attainment of organizational goals. Management strives to encourage individual activity that will lead to reaching organizational goals and to discourage individual activity that will hinder the accomplishment of those goals. Because the process of management emphasizes the achievement of goals, managers must keep organizational goals in mind at all times.[12]

Defining Management

Students of management should be aware that the term *management* can be, and often is, used in different ways. For instance, it can refer simply to the process that managers follow in order to accomplish organizational goals. It can also refer to a body of knowledge; in this context, management is a cumulative body of information that furnishes insights on how to manage. The term *management* can also refer to the individuals who guide and direct organizations or to a career devoted to the task of guiding and directing organizations. An understanding of the various uses and related definitions of the term will help you avoid miscommunication during management-related discussions.

As used most commonly in this text, **management** is the process of reaching organizational goals by working with and through people and other organizational resources. A comparison of this definition with the definitions offered by several contemporary management thinkers indicates broad agreement that management encompasses the following three main characteristics:

1. It is a process or series of continuing and related activities.
2. It involves and concentrates on reaching organizational goals.
3. It reaches these goals by working with and through people and other organizational resources.

A discussion of each of these characteristics follows.

The Management Process: Management Functions

The four basic **management functions**—activities that make up the management process—are described in the following sections.

Planning Planning involves choosing tasks that must be performed to attain organizational goals, outlining how the tasks must be performed, and indicating when they should be performed. Planning activity focuses on attaining goals. Through their plans, managers outline exactly what organizations must do to be successful. Planning is essential to getting the "right" things done.[13] Planning is concerned with organizational success in the near future (short term) as well as in the more distant future (long term).[14]

Organizing Organizing can be thought of as assigning the tasks developed under the planning function to various individuals or groups within the organization. Organizing, then, creates a mechanism to put plans into action. People within the organization are given work assignments that contribute to the company's goals. Tasks are organized so that the output of individuals contributes to the success of departments, which, in turn, contributes to the success of divisions, which ultimately contributes to the success of the organization. Organizing includes determining tasks and groupings of work.[15] Organizing should not be rigid, but adaptable and flexible to meet challenges as circumstances change.[16]

Influencing Influencing is another of the basic functions within the management process. This function—also commonly referred to as *motivating, leading, directing,* or *actuating*—is concerned primarily with people within organizations.[*] Influencing can be defined as guiding the activities of organization members in appropriate directions. An appropriate direction is any direction that helps the organization move toward goal attainment. The ultimate purpose of influencing is to increase productivity. Human-oriented work situations usually generate higher levels of production over the long term than do task-oriented work situations, because people find the latter type less satisfying.

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[*]In early management literature, the term *motivating* was commonly used to signify this people-oriented management function. The term *influencing* is used consistently throughout this text because it is broader and permits more flexibility in discussing people-oriented issues. Later in the text, motivating is discussed as a major part of influencing.

Planning
Not establishing objectives for all important organizational areas
Making plans that are too risky
Not exploring enough viable alternatives for reaching objectives

Organizing
Not establishing departments appropriately
Not emphasizing coordination of organization members
Establishing inappropriate spans of management

Influencing
Not taking the time to communicate properly with organization members
Establishing improper communication networks
Being a manager but not a leader

Controlling
Not monitoring progress in carrying out plans
Not establishing appropriate performance standards
Not measuring performance to see where improvements might be made

Controlling Controlling is the management function through which managers:

1. Gather information that measures recent performance within the organization.
2. Compare present performance to preestablished performance standards.
3. From this comparison, determine whether the organization should be modified to meet preestablished standards.

Controlling is an ongoing process. Managers continually gather information, make their comparisons, and then try to find new ways of improving production through organizational modification.

History shows that managers commonly make mistakes when planning, organizing, influencing, and controlling. Figure 1.3 shows a number of such mistakes managers make related to each function. Studying this text carefully should help managers avoid making such mistakes.

Management Process and Goal Attainment

Although we have discussed the four functions of management individually, planning, organizing, influencing, and controlling are integrally related and therefore cannot be separated in practice. Figure 1.4 illustrates this interrelationship and also indicates that managers use these activities solely for reaching organizational goals. Basically, these functions are interrelated because the performance

of one depends on the performance of the others. For example, organizing is based on well-thought-out plans developed during the planning process, and influencing systems must be tailored to reflect both these plans and the organizational design used to implement them. The fourth function, controlling, involves possible modifications to existing plans, organizational structure, or the motivation system used to develop a more successful effort.

To be effective, a manager must understand how the four management functions are practiced, not simply how they are defined and related. Thomas J. Peters and Robert H. Waterman, Jr., studied numerous organizations—including Frito-Lay and Maytag—for several years to determine what management characteristics best describe excellently run companies. In their book, *In Search of Excellence,* Peters and Waterman suggest that planning, organizing, influencing, and controlling should be characterized by a bias for action; a closeness to the customer; autonomy and entrepreneurship; productivity through people; a hands-on, value-driven orientation; "sticking to the knitting"; a simple organizational form with a lean staff; and simultaneous loose–tight properties.

This brief introduction to the four management functions will be further developed in Parts 3 through 6 of this text.

Management and Organizational Resources

Management must always be aware of the status and use of **organizational resources**. These resources, composed of all assets available for activation during the production process, are of four basic types:

1. Human
2. Monetary
3. Raw materials
4. Capital

As Figure 1.5 shows, organizational resources are combined, used, and transformed into finished products during the production process.

Human resources are the people who work for an organization. The skills they possess and their knowledge of the work system are invaluable to managers. Monetary resources are amounts of money that managers use to purchase goods and services for the organization. Raw materials are ingredients used directly in the manufacturing of products. For example, rubber is a raw material that Goodyear would purchase with its monetary resources and use directly in manufacturing tires. Capital resources are machines used during the manufacturing process. Modern machines, or equipment, can be a major factor in maintaining desired production levels. Worn-out or antiquated machinery can make it impossible for an organization to keep pace with competitors.

Managerial Effectiveness As managers use their resources, they must strive to be both effective and efficient. **Managerial effectiveness** refers to management's use of organizational resources in meeting organizational goals. If organizations are using their resources to attain their goals, the managers are said to be effective. In reality, however, managerial effectiveness can be measured by degrees. The closer an organization comes to achieving its goals, the more effective its managers are considered to be. Managerial effectiveness, then, exists on a continuum ranging from *ineffective* to *effective*.

Organizational Resources
People
Money
Raw materials
Capital resources

Inputs →

Production Process

Outputs →

Finished Products
Goods
Services

FIGURE 1.5
Transformation of organizational resources into finished products through the production process

Managerial Efficiency **Managerial efficiency** is the proportion of total organizational resources that contribute to productivity during the manufacturing process.[17] The higher this proportion, the more efficient is the manager. The more resources wasted or unused during the production process, the more inefficient is the manager. In this situation, *organizational resources* refer not only to raw materials that are used in manufacturing goods or services but also to related human effort.[18] Like management effectiveness, management efficiency is best described as being on a continuum ranging from inefficient to efficient. *Inefficient* means that a small proportion of total resources contributes to productivity during the manufacturing process; *efficient* means that a large proportion of resources contributes to productivity.

As Figure 1.6 shows, the concepts of managerial effectiveness and efficiency are obviously related. A manager could be relatively ineffective—with the consequence that the organization is making little progress toward goal attainment—primarily because of major inefficiencies or poor utilization of resources during the production process. In contrast, a manager could be somewhat effective despite being inefficient if demand for the finished goods is so high that the manager can get an extremely high price per unit sold and thus absorb inefficiency costs. Thus a manager can be effective without being efficient, and vice versa. To maximize organizational success, however, both effectiveness and efficiency are essential.

how managers do it

Achieving Effectiveness at Telstra Corporation

As an example of achieving efficiency and effectiveness, consider Telstra Corporation, Australia's largest telecommunication company. Like its counterparts the world over, Telstra faces the challenges of a changing industry where mobile phones are fast becoming more popular than the landline business on which it built its fortunes. To survive, Telstra is scrambling to create a nimble management team and prune the bureaucracy that slows down decision making and internal operations. In a recent reorganization of his executive team, Telstra CEO David Thodey created four groups—customer sales and support, product and marketing innovation, operations, and corporate support—all focused on effectiveness, getting more competitive while also attracting and retaining customers.[19] ■

FIGURE 1.6
Various combinations of managerial effectiveness and managerial efficiency

RESOURCE USE

Efficient (most resources contribute to production)
- Not reaching goals and not wasting resources
- Reaching goals and not wasting resources

Inefficient (few resources contribute to production)
- Not reaching goals and wasting resources
- Reaching goals and wasting resources

Ineffective (little progress toward organizational goals)

Effective (substantial progress toward organizational goals)

GOAL ACCOMPLISHMENT

THE UNIVERSALITY OF MANAGEMENT

Management principles are universal: That is, they apply to all types of organizations (businesses, churches, sororities, athletic teams, hospitals, etc.) and organizational levels.[20] Naturally, managers' jobs vary somewhat from one type of organization to another because each organizational type requires the use of specialized knowledge, exists in a unique working and political environment, and uses different technology. However, job similarities are found across organizations because the basic management activities—planning, organizing, influencing, and controlling—are common to all organizations.

The Theory of Characteristics

Henri Fayol, one of the earliest management writers, stated that all managers should possess certain characteristics, such as positive physical and mental qualities and special knowledge related to the specific operation.[21] B. C. Forbes emphasized the importance of certain more personal qualities, inferring that enthusiasm, earnestness of purpose, confidence, and faith in their own worthiness are primary characteristics of successful managers. Forbes described Henry Ford as follows:

> At the base and birth of every great business organization was an enthusiast, a man consumed with earnestness of purpose, with confidence in his powers, with faith in the worthwhileness of his endeavors. The original Henry Ford was the quintessence of enthusiasm. In the days of his difficulties, disappointments, and discouragements, when he was wrestling with his balky motor engine—and wrestling likewise with poverty—only his inexhaustible enthusiasm saved him from defeat.[22]

Fayol and Forbes can describe desirable characteristics of successful managers only because of the universality concept: The basic ingredients of successful management are applicable to all organizations.

MANAGEMENT SKILL: THE KEY TO MANAGEMENT SUCCESS

Thus far, the introduction to the study of management has focused on discussing concepts such as the importance of management, the task of management, and the universality of management. This section continues the introduction to management by defining management skill and presenting both classic and more contemporary views of management skills thought to ensure management success.

Defining Management Skill

No introduction to the field of management would be complete without a discussion of management skill. **Management skill** is the ability to carry out the process of reaching organizational goals by working with and through people and other organizational resources. Learning about management skill and focusing on developing it are of critical importance because possessing such skill is generally considered the prerequisite for management success.[23] Because management skills are so critical to the success of an organization, companies commonly focus on possible steps that can be taken to improve the skills of their managers.

Management Skill: A Classic View

Robert L. Katz has written perhaps the most widely accepted early article about management skill.[24] Katz states that managers' ability to perform is a result of their managerial skills. A manager with the necessary management skills will probably perform well and be relatively successful. One without the necessary skills will probably perform poorly and be relatively unsuccessful.

**Honing Cultural Skills
at Dean Foster Associates**

As an example illustrating how companies need to develop their managers' skills, consider the importance of preparing managers for working with people of other cultures. An increasingly global business world requires that managers who travel be aware of and grasp cultural differences in their dealings with coworkers, clients, and the public. Professionals at New York-based Dean Foster Associates, an intercultural consulting firm, provide cross-cultural training that helps businesspeople prepare for work overseas. For example, for a client heading to Japan, Foster conducted a five-hour session that included a traditional Japanese meal, coaching on Japanese dining etiquette, and information on business customs, socializing, and developing the proper mind set for working outside one's native country.[25] ◼

Technical skills are among the types of skills necessary for successful management.

Katz indicates that three types of skills are important for successful management performance: technical, human, and conceptual skills.

- **Technical skills** involve the ability to apply specialized knowledge and expertise to work-related techniques and procedures. Examples of these skills are engineering, computer programming, and accounting. Technical skills are mostly related to working with "things"—processes or physical objects.

- **Human skills** build cooperation within the team being led. They involve working with attitudes and communication, individual and group interests—in short, working with people.

- **Conceptual skills** involve the ability to see the organization as a whole. A manager with conceptual skills is able to understand how various functions of the organization complement one another, how the organization relates to its environment, and how changes in one part of the organization affect the rest of the organization.

As one moves from lower-level management to upper-level management, conceptual skills become more important and technical skills less important (see Figure 1.7). The supportive rationale is that as managers advance in an organization, they become less involved with the actual production activity or technical areas, and more involved with guiding the organization as a whole. Human skills, however, are extremely important to managers at top, middle, and lower (or supervisory) levels.[26] The common denominator of all management levels, after all, is people.
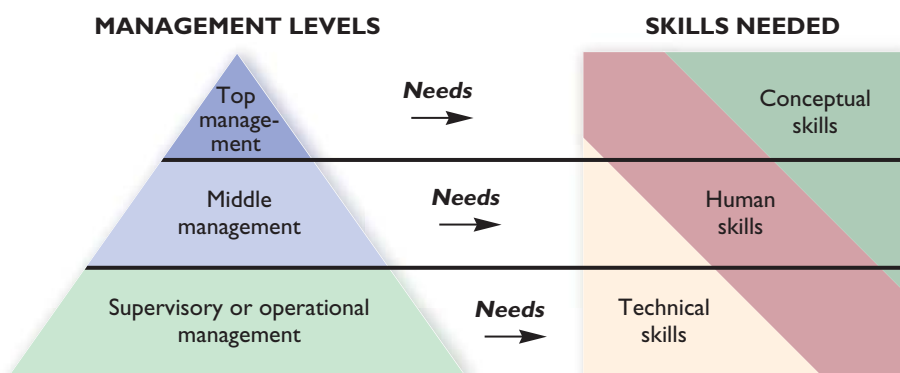
Management Skill: A Contemporary View

More current thought regarding management skills is essentially an expansion of the classic view list of skills managers need to be successful. This expansion is achieved logically through two steps:

1. Defining the major activities that managers typically perform
2. Listing the skills needed to carry out these activities successfully

FIGURE 1.7
As a manager moves from the supervisory to the top-management level, conceptual skills become more important than technical skills, but human skills remain equally important

MANAGEMENT LEVELS   **SKILLS NEEDED**

Top management — *Needs* → Conceptual skills

Middle management — *Needs* → Human skills

Supervisory or operational management — *Needs* → Technical skills

The major activities that modern managers typically perform are of three basic types.[27]

1. **Task-related activities** are management efforts aimed at carrying out critical management-related duties in organizations. Such activities include short-term planning, clarifying objectives of jobs in organizations, and monitoring operations and performance.
2. **People-related activities** are management efforts aimed at managing people in organizations. Such activities include providing support and encouragement to others, providing recognition for achievements and contributions, developing skill and confidence of organization members, consulting when making decisions, and empowering others to solve problems.
3. **Change-related activities** are management efforts aimed at modifying organizational components. Such activities include monitoring the organization's external environment, proposing new strategies and vision, encouraging innovative thinking, and taking risks to promote needed change.

Important management skills deemed necessary to successfully carry out these management activities appear in Figure 1.8. This figure pinpoints 12 such skills, ranging from empowering organization members to envisioning how to change an organization. Remember that Figure 1.8 is not intended as a list of *all* skills managers need to be successful, but as an important list containing many of the necessary skills. One might argue, for example, that skills such as building efficient operations or increasing cooperation among organization members are critical management skills and should have prominence in Figure 1.8.

Management Skill: A Focus of This Book

The preceding sections discussed both classic and contemporary views of management skills in modern organizations. A number of critical management skills were presented and related to top, middle, and supervisory management positions.

One common criticism of such management skill discussions is that although understanding such rationales about skills is important, skills categories—such as technical skill, human skill, and conceptual skill—are often too broad to be practical. Many management scholars believe that these broad skills categories contain several more narrowly focused skills that represent the more practical and essential abilities for successfully practicing management.[28] These more narrowly focused skills should not be seen as valuable in themselves, but as "specialized tools" that help managers meet important challenges and successfully carry out the management functions of planning, organizing, influencing, and controlling. Table 1.2 summarizes the management functions and challenges covered in this book and corresponding management skills that help address them.

Because management skill is generally a prerequisite for management success, aspiring managers should strive to develop such skill. In developing such skill, however, managers should keep

To increase the probability of being successful, managers should have competence in . . .

. . . Clarifying roles: assigning tasks and explaining job responsibilities, task objectives, and performance expectations

. . . Monitoring operations: checking on the progress and quality of the work, and evaluating individual and unit performance

. . . Short-term planning: determining how to use personnel and resources to accomplish a task efficiently, and determining how to schedule and coordinate unit activities efficiently

. . . Consulting: checking with people before making decisions that affect them, encouraging participation in decision making, and using the ideas and suggestions of others

. . . Supporting: acting considerate, showing sympathy and support when someone is upset or anxious, and providing encouragement and support when there is a difficult, stressful task

. . . Recognizing: providing praise and recognition for effective performance, significant achievements, special contributions, and performance improvements

. . . Developing: providing coaching and advice, providing opportunities for skill development, and helping people learn how to improve their skills

FIGURE 1.8
Skills for increasing the probability of management success

TABLE 1.2   Management Functions and Challenges Covered in This Text and Corresponding Management Skills Emphasized to Help Address Them

Introduction to Modern Management

Chapter 1—Management Skill: The ability to work with people and other organizational resources to accomplish organizational goals.

Chapter 2—Comprehensive Management Skill: The ability to collectively apply concepts from various major management approaches to perform a manager's job.

Modern Management Challenges

Chapter 3—Corporate Social Responsibility Skill: The ability to take action that protects and improves both the welfare of society and the interests of the organization.

Chapter 4—Diversity Skill: The ability to establish and maintain an organizational workforce that represents a combination of assorted human characteristics appropriate for achieving organization success.

Chapter 5—Global Management Skill: The ability to manage global factors as components of organizational operations.

Chapter 6—Entrepreneurship Skill: The identification, evaluation, and exploitation of opportunities.

Planning

Chapter 7—Planning Skill: The ability to take action to determine the objectives of the organization as well as what is necessary to accomplish these objectives.

Chapter 8—Decision-Making Skill: The ability to choose alternatives that increase the likelihood of accomplishing objectives.

Chapter 9—Strategic Planning Skill: The ability to engage in long-range planning that focuses on the organization as a whole.

Chapter 10—Planning Tools Skill: The ability to employ the qualitative and quantitative techniques necessary to help develop plans.

Organizing

Chapter 11—Organizing Skill: The ability to establish orderly uses for resources within the management system.

Chapter 12—Responsibility and Delegation Skill: The ability to understand one's obligation to perform assigned activities and to enlist the help of others to complete those activities.

Chapter 13—Human Resource Management Skill: The ability to take actions that increase the contributions of individuals within the organization.

Chapter 14—Organizational Change Skill: The ability to modify an organization in order to enhance its contribution to reaching company goals.

Influencing

Chapter 15—Communication Skill: The ability to share information with other individuals.

Chapter 16—Leadership Skill: The ability to direct the behavior of others toward the accomplishment of objectives.

Chapter 17—Motivation Skill: The ability to create organizational situations in which individuals performing organizational activities are simultaneously satisfying personal needs and helping the organization attain its goals.

Chapter 18—Team Skill: The ability to manage a collection of people so that they influence one another toward the accomplishment of an organizational objective(s).

Chapter 19—Organization Culture Skill: The ability to establish a set of shared values among organization members regarding the functioning and existence of their organization to enhance the probability of organizational success.

Chapter 20—Creativity and Innovation Skill: The ability to generate original ideas or new perspectives on existing ideas and to take steps to implement these new ideas.

Controlling

Chapter 21—Controlling Skill: The ability to use information and technology to ensure that an event occurs as it was planned to occur.

Chapter 22—Production Skill: The ability to transform organizational resources into products.
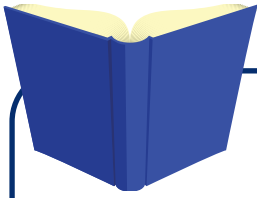
class discussion highlight

MODERN RESEARCH AND MANAGEMENT SKILL

Skills Needed to Manage in Vietnam

A study by Neupert, Baughn, and Dao investigated the skills necessary to be a successful manager in Vietnam. The researchers focused on the opinions of practicing managers in Vietnam in generating their list of skills for managerial success.

To gather their information, the researchers used the critical incident method. This method asked managers in an interview format to tell the story of their *worst nightmare* or *biggest challenge* in their management positions. The researchers also asked managers their opinion about what skills were necessary to be a successful manager in Vietnam. Through this critical incident process, a commonly used research technique, the researchers hoped to identify skills necessary to be a successful manager in Vietnam.

The researchers interviewed 50 local Vietnamese managers and 24 managers from other countries. Interviews lasted between 45 and 90 minutes and were conducted in English or Vietnamese, depending on manager preference. The managers interviewed were from a number of firms in various industries from two major Vietnamese business centers: Hanoi and Ho Chi Minh City.

Do you think that the local Vietnamese and foreign managers suggested the same skills for managerial success in Vietnam? Why? If not, how do you think the suggested skills differed? Why?

Source: Kent E. Neupert, C. Christopher Baughn, and Thi Thanh Lam Dao, "International Management Skills for Success in Asia: A Needs-Based Determination of Skills for Foreign Managers and Local Managers," Journal of European Industrial Training 29, nos. 2/3 (2005): 165–180.

in mind that the value of individual management skills will tend to vary from manager to manager, depending on the specific organizational situations faced. For example, managers facing serious manufacturing challenges might find the skill to encourage innovative thinking aimed at meeting these challenges is their most important skill. On the other hand, managers facing a disinterested workforce might find the skill of recognizing and rewarding positive performance is their most valuable skill. Overall, managers should spend time defining the most formidable tasks they face and sharpening skills that will help to successfully carry out these tasks.

MANAGEMENT CAREERS

Thus far, this chapter has focused on outlining the importance of management to society, presenting a definition of management and the management process, and explaining the universality of management. Individuals commonly study such topics because they are interested in pursuing a management career. This section presents information that will help you preview your own management career. It also describes some of the issues you may face in attempting to manage the careers of others within an organization. The specific focus is on career definition, career and life stages and performance, and career promotion.

A Definition of Career

A **career** is a sequence of work-related positions occupied by a person over the course of a lifetime.[29] As the definition implies, a career is cumulative in nature: As people accumulate successful experiences in one position, they generally develop abilities and attitudes that qualify them to hold more advanced positions. In general, management positions at one level tend to be stepping-stones to management positions at the next higher level. In building a career, an individual should be focused on developing skills necessary to qualify for the next planned job and not simply taking a job with the highest salary.[30]

Career Stages, Life Stages, and Performance

Careers are generally viewed as evolving through a series of stages.[31] These evolutionary stages—exploration, establishment, maintenance, and decline—are shown in Figure 1.9, which highlights the performance levels and age ranges commonly associated with each stage. Note that the levels and ranges in the figure indicate what has been more traditional at each stage, not what is inevitable. According to the Census Bureau, the proportion of men in the U.S. population age 65 and older who participated in the labor force in 2008 reached 17.8 percent. This participation rate was the highest since 1985. The proportion for women in this age group was 9.1 percent, the highest since 1975.[32] As more workers beyond age 65 exist in the workforce, more careers will be maintained beyond the traditional benchmark of age 65, as depicted in Figure 1.9.

Exploration Stage   The first stage in career evolution is the **exploration stage**, which occurs at the beginning of a career and is characterized by self-analysis and the exploration of different types of available jobs. Individuals at this stage are generally about 15 to 25 years old and are involved in some type of formal training, such as college or vocational education. They often pursue part-time employment to gain a richer understanding of what a career in a particular organization or industry might be like. Typical jobs held during this stage include cooking at Burger King, stocking at a Federated Department Store, and working as an office assistant at a Nationwide Insurance office.

Establishment Stage   The second stage in career evolution is the **establishment stage**, during which individuals about 25 to 45 years old start to become more productive, or higher performers (as Figure 1.9 indicates by the upturn in the dotted line and its continuance as a solid line). Employment sought during this stage is guided by what was learned during the exploration stage. In addition, the jobs sought are usually full-time jobs. Individuals at this stage commonly move to different jobs within the same company, to different companies, or even to different industries.

Maintenance Stage   The third stage in career evolution is the **maintenance stage**. In this stage, individuals who are 45 to 65 years old show either increased performance (career growth), stabilized performance (career maintenance), or decreased performance (career stagnation).

FIGURE 1.9

The relationships among career stages, life stages, and performance
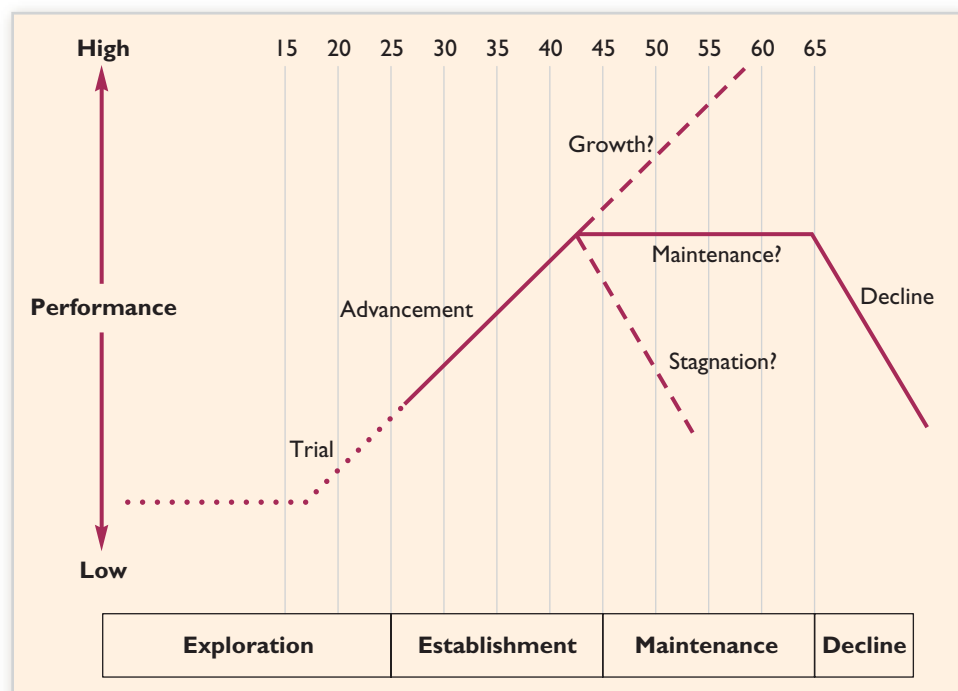
From the organization's viewpoint, it is better for managers to experience career growth than maintenance or stagnation. For this reason, some companies such as IBM, Monsanto, and Brooklyn Union Gas have attempted to eliminate **career plateauing**—defined as a period of little or no apparent progress in a career.[33]

Decline Stage The last stage in career evolution is the **decline stage**, which involves people about 65 years old whose productivity is declining. These individuals are either close to retirement, semi-retired, or fully retired. People in the decline stage may find it difficult to maintain prior performance levels, perhaps because they have lost interest in their careers or have failed to keep their job skills up-to-date.

As Americans live longer and stay healthier into late middle age, many of them choose to become part-time workers in businesses such as Publix supermarkets and McDonald's or in volunteer groups such as the March of Dimes and the American Heart Association. Some retired executives put their career experience to good social use by working with the government-sponsored organization Service Corps of Retired Executives (SCORE) to offer management advice and consultation to small businesses trying to gain a foothold in their market.

Promoting Your Own Career

Both practicing managers and management scholars agree that careful formulation and implementation of appropriate tactics can enhance the success of a management career.[34] Planning your career path—the sequence of jobs that you will fill in the course of your working life—is the first step to take in promoting your career. For some people, a career path entails ascending the hierarchy of a particular organization. Others plan a career path within a particular profession or series of professions. Everyone, however, needs to recognize that career planning is an ongoing process, beginning with the career's early phases and continuing throughout the career.

In promoting your own career, you must be proactive and see yourself as a business that you are responsible for developing. You should not view your plan as limiting your options. First consider both your strengths and your liabilities and assess what you need from a career. Then explore all the avenues of opportunity open to you, both inside and outside the organization. Set your career goals, continually revise and update these goals as your career progresses, and take the steps necessary to accomplish these goals.

Another important tactic in promoting your own career is to work for managers who carry out realistic and constructive roles in the career development of their employees.[35] Table 1.3 outlines what career development responsibility, information, planning, and follow-through generally include. It also outlines the complementary career development role for a professional employee.

Promoting your own career may require you to continually demonstrate your skills and abilities. These production managers in California are teleconferencing with project managers in India, although the time difference requires them to convene at 7:30 in the evening local time.

TABLE 1.3	Manager and Employee Roles in Enhancing Employee Career Development	
Dimension	**Professional Employee**	**Manager**
Responsibility	Assumes responsibility for individual career development	Assumes responsibility for employee development
Information	Obtains career information through self-evaluation and data collection: What do I enjoy doing? Where do I want to go?	Provides information by holding up a mirror of reality: How manager views the employee How others view the employee How "things work around here"
Planning	Develops an individual plan to reach objectives	Helps employee assess plan
Follow-through	Invites management support through high performance on the current job by understanding the scope of the job and taking appropriate initiative	Provides coaching and relevant information on opportunities

To enhance your career success, you must learn to be *proactive* rather than *reactive*.[36] That is, you must take specific actions to demonstrate your abilities and accomplishments. You must also have a clear idea of the next several positions you should seek, the skills you need to acquire to function appropriately in those positions, and plans for acquiring those skills. Finally, you need to think about the ultimate position you want and the sequence of positions you must hold in order to gain the skills and attitudes necessary to qualify for that position.

Special Career Issues

In the business world of today, countless special issues significantly affect how careers actually develop. Two issues that have had a significant impact on career development in recent years are:

1. Women managers
2. Dual-career couples

The following sections discuss each of these factors.

Women Managers Women in their roles as managers must meet the same challenges in their work environments as men. However, because they have more recently joined the ranks of management in large numbers, women often lack the social contacts that are so important in the development of a management career. Another problem for women is that, traditionally, they have been expected to manage families and households while simultaneously handling the pressures and competition of paid employment. Finally, women are more likely than men to encounter sexual harassment in the workplace.

Interestingly, some management theorists believe that women may have an enormous advantage over men in future management situations.[37]

They predict that networks of relationships will replace rigid organizational structures and star workers will be replaced by teams made up of workers at all levels who are empowered to make decisions. Detailed rules and procedures will be replaced by a flexible system that calls for judgments based on key values and a constant search for new ways to get the job done. Strengths often attributed to women—emphasizing interrelationships, listening, and motivating others—will be the dominant virtues in the corporation of the future.

Despite this optimism, however, some reports indicate that the proportion of men to women in management ranks seems to have changed little in the last 10 years.[38] This stabilized proportion can probably be explained by a number of factors. For example, perhaps women are not opting to move into management positions at a greater pace than men because of trade-offs they have to make, such as not having or delaying the birth of a baby. In addition, women often indicate that

TABLE 1.4	Seven Steps Management Can Take to Encourage the Advancement of Women in Organizations

1. *Make sure that women know the top three strategic goals for the company.* Knowing these goals will help women focus their efforts on important issues. As a result, they'll be better able to make a meaningful contribution to goal attainment and become more likely candidates for promotion.

2. *Make sure that women professionals in the organization have a worthwhile understanding of career planning.* Having a vision for their careers and a career planning tool at their disposal will likely enhance the advancement of women in an organization.

3. *Teach women how to better manage their time.* The most effective managers are obsessed with using their time in the most valuable way possible. Helping women know where their time is being invested and how to make a better investment should better ready them for promotion.

4. *Assign outstanding mentors to women within the organization.* Women continually indicate that mentors are important in readying themselves for promotion. Assigning outstanding leaders in an organization to women organization members should accelerate the process of readying women for management positions.

5. *Have career discussions with women who have potential as managers.* Career discussions involving both managers and women with the potential to be managers should be held regularly. Helping women to continually focus on their careers and their potential for upward mobility should help them to keep progressing toward management positions.

6. *Provide opportunities for women organization members to make contributions to the community.* In today's environment, managers must be aware of and contribute to the community in which the organization exists. Experience within the community should help ready women for management positions.

7. *Encourage women to take the initiative in obtaining management positions.* Women must be proactive in building the skills necessary to become a manager or be promoted to the next level of management. They should set career goals, outline a plan to achieve those goals, and then move forward with their plan.

it's more difficult for them to move into management positions than men because of the lack of female mentors and role models in the corporate world. Table 1.4 lists seven steps that management can take to help women advance in an organization.[39]

Dual-Career Couples With an increasing number of dual-career couples, organizations who want to attract and retain the best performers have found it necessary to consider how dual-career couples affect the workforce. Those in dual-career relationships even have a Facebook community devoted to their concerns.[40] The traditional scenario in which a woman takes a supporting role in the development of her spouse's career is being replaced by one of equal work and shared responsibilities for spouses. This arrangement requires a certain amount of flexibility on the part of the couple as well as the organizations for which they work. Today such burning issues as whose career takes precedence if a spouse is offered a transfer to another city and who takes the ultimate responsibility for family concerns point to the fact that dual-career relationships involve trade-offs and that it is difficult to "have it all."

How Dual-Career Couples Cope Studies of dual-career couples reveal that many cope with their career difficulties in one of the following ways.[41] The couple might develop a commitment to both spouses' careers so that when a decision is made, the right of each spouse to pursue a career is taken into consideration. Both husband and wife are flexible about handling home- and job-oriented issues. They work out coping mechanisms, such as negotiating child care or scheduling shared activities in advance, to better manage their work and their family responsibilities. Often, dual-career couples find that they must limit their social lives and their volunteer responsibilities in order to slow their lives to a manageable pace. Finally, many couples find that they must take steps to consciously facilitate their mutual career advancement. An organization that wants to retain an employee may find that it needs to assist that employee's spouse in his or her career development as well.

CHALLENGE CASE SUMMARY

The information just presented furnishes you, as the chief executive of Universal Orlando, with insights concerning the significance of your role as manager. That role is important not only to society as a whole but to you as an individual. As a manager, you contribute to creating the standard of living that we all enjoy, and you earn corresponding rewards. Universal Orlando is making societal contributions aimed at providing essentials such as food and clothing to people throughout the world. As its chief executive, you would be helping Universal Orlando in this endeavor. If you exert significant impact, the company's contribution to society, and your personal returns, will be heightened considerably.

The chapter emphasizes what management is and what managers do. According to this information, as chief executive at Universal Orlando, you must have a clear understanding of the company's objectives, and you must guide its operations in a way that helps the company reach those objectives. This guidance will involve you working directly with sales managers, other upper managers such as the vice president of human resources, and theme park personnel.

You must be sure that planning, organizing, influencing, and controlling are being carried out appropriately. You must be sure that jobs are designed to reach objectives, that jobs are assigned to appropriate workers, that workers are encouraged to perform their jobs well, and that you make any changes necessary to ensure the achievement of company objectives. As you perform these four functions, remember that the activities themselves are interrelated and must blend together appropriately. Your wise use of Universal's organizational resources is critical. Strive to make sure Universal managers are both effective and efficient, reaching company objectives without wasting company resources.

As is the case with managers of any company, the managers at Universal are at various stages of career development. As an example of how those stages might relate to managers at Universal, let us focus on one particular manager, Marsha Platt. Assume that Marsha Platt is a manager overseeing park visitor relations. She is 45 years old and is considered a member of middle management.

Platt began her career (exploration stage) in college by considering various areas of study and by working at a number of different types of part-time positions. She took phone orders for Domino's Pizza and worked for Menard's, a home-improvement retailer, as a cashier. She began college at age 18 and graduated at age 22.

Platt then moved into the establishment stage of her career. For a few years immediately after graduation, she held full-time trial positions in the retail industry as well as in the delivery industry. What she learned during the career exploration stage helped her choose the types of full-time trial positions to pursue.

At the age of 26, she accepted a trial position as an assistant park visitor relations manager at Universal Studios in Orlando, Florida. Through this position she discovered that she wanted to remain in the theme park industry and, more specifically, with Universal Orlando. From age 27 to age 45, she held a number of supervisory and management positions at Universal.

Now Platt is moving into an extremely critical part of her career, the maintenance stage. She could probably remain in her present position and maintain her productivity for several more years. However, she wants to advance her career. Therefore, she must emphasize a proactive attitude by formulating and implementing tactics aimed at enhancing her career success, such as seeking training to develop critical skills, or moving to a position that is a prerequisite for other, more advanced positions at Universal Studios.

In the future, as Platt approaches the decline stage of her career, it is probable that her productivity will decrease somewhat. From a career viewpoint, she may want to go from full-time employment to semiretirement. Perhaps she could work for Universal Orlando or another theme park business such as Disney World on a part-time advisory basis or even pursue part-time work in another industry. For example, she might be able to teach a management course at a nearby community college.

Focusing on developing management skills throughout a career would help any manager, including Marsha Platt, to ensure management success. Such skills include the ability to clarify organizational roles, encourage innovative thinking, and recognize worthwhile performance of organization members. Overall, such skills would help Platt to carry out task-, people-, and change-related activities.

MANAGEMENT SKILL ACTIVITIES

This section is specially designed to help you develop management skills. An individual's management skill is based on an understanding of management concepts and the ability to apply those concepts in various organizational situations. The following activities are designed to both heighten your understanding of management concepts and to develop the ability to apply those concepts in a variety of organizational situations.

UNDERSTANDING MANAGEMENT CONCEPTS

PEARSON mymanagementlab™   To check your understanding and to practice using the concepts in this chapter, go to www.mymanagementlab.com and explore the material associated with Chapter 1.

Know Key Terms

Understanding the following key terms is critical to your understanding of chapter material. Define each of these terms. Refer to the page(s) referenced after a term to check your definition or to gain further insight regarding the term.

management **7**	technical skills **12**	career **15**
management functions **7**	human skills **12**	exploration stage **16**
organizational resources **9**	conceptual skills **12**	establishment stage **16**
managerial effectiveness **9**	task-related activities **13**	maintenance stage **16**
managerial efficiency **10**	people-related activities **13**	career plateauing **17**
management skill **11**	change-related activities **13**	decline stage **17**

Know How Management Concepts Relate

This section is comprised of activities that will further sharpen your understanding of management concepts. Answer essay questions as completely as possible. Also, remember that many additional true/false and multiple choice questions appear online at MyManagementLab.com to help you further refine your understanding of management concepts.

1. Explain the relationships among the four functions of management.
2. How can *controlling* help a manager to become more efficient?
3. What is the value in having managers at the career exploration stage within an organization? Why? The decline stage? Why?
4. 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?
5. List and define five skills that you think you'll need as CEO of a company. Why will these skills be important to possess?

DEVELOPING MANAGEMENT SKILLS

Learning activities in this section are aimed at helping you develop management skill. Learning activities include Exploring Your Management Skill: Parts 1 & 2, Your Management Skill Portfolio Exercise, an Experiential Exercise, Cases, and a VideoNet Exercise.

Exploring Your Management Skill: Part 1

Before studying this chapter, respond to the following questions regarding the type of advice you would give to Universal Studios' chairperson, Tom Williams. Then address the management challenges he faces within the company. You are not expected to be a "management" expert at this point. Answering the questions now can help you focus on important points when you study the chapter. Also, answering the questions again after you study the chapter will give you an idea of how much you have learned.

Record your answers here or online at MyManagementLab .com. Completing the questions at MyManagementLab.com will allow you to get feedback about your answers automatically. If you answer the questions in the book, look up answers in the Exploring Your Management Skill section at the end of the book.

FOR EACH STATEMENT CIRCLE:
- "Y" if you would give the advice to Williams.
- "N" if you would NOT give the advice to Williams.
- "NI" if you have no idea whether you would give the advice to Williams.

Mr. Williams, in meeting your management challenges at Universal, you should...

Before   After
Study   Study

1. make sure you understand how important management is in successfully marketing the new Harry Potter theme park.
   Y, N, NI

2. keep in mind that launching "The Wizarding World of Harry Potter" may not be consistent with Universal's overall goals.
   Y, N, NI

3. strive to manage people appropriately but understand that managing resources is generally not as important as managing people.
   Y, N, NI

4. focus mainly on planning and organizing to meet management challenges at Universal.
   Y, N, NI

5. use mainly the influencing function to make sure that people at Universal are managed appropriately.
   Y, N, NI

6. use the planning, organizing, influencing, and controlling functions together to reach Universal's organizational goals.
   Y, N, NI

7. use the management process to attain Universal's goals.
   Y, N, NI

8. almost always be aware of the status and use of Universal's resources.
   Y, N, NI

9. strive to be effective in reaching Universal's goals.
   Y, N, NI

10. focus on being an efficient manager, one who reaches organizational goals.
    Y, N, NI

11. ensure that an overabundance of managers in the exploration career stage is not involved in operating the new Harry Potter theme park.
    Y, N, NI

12. as CEO, have more technical skill than conceptual skill in managing the launch of the Harry Potter theme park.
    Y, N, NI

13. focus mainly on building conceptual skill in managing Universal.
    Y, N, NI

14. rely on the universality of management principle as a worthwhile rationale for assigning only people with prior experience at Universal in managing the new theme park.
    Y, N, NI

Exploring Your Management Skill: Part 2

As you recall, you completed Exploring Your Management Skill Part 1 before you started to study this chapter. Your responses gave you an idea of how much you initially knew about modern management and helped you focus on important points as you studied the chapter. Answer the Exploring Your Management Skill questions again now and compare your score to the first time you took it so that you get an idea of how much you learned from studying this chapter. Pinpoint areas for further clarification before you start studying the next chapter. Record your answers within the text or online at MyManagementLab.com. Completing the survey on MyManagementLab.com will allow you to grade and compare your test scores automatically. If you complete the test in the book, look up answers in the Exploring Your Management Skill section at the end of the book.

Your Management Skills Portfolio

Your Management Skills Portfolio is a collection of activities specially designed to demonstrate your management knowledge and skill. By completing these activities online at MyManagementLab.com, you will be able to print, complete with cover sheet, as many activities as you choose. Be sure to save your work. Taking your printed portfolio to an employment interview could be helpful in obtaining a job.

The portfolio activity for this chapter is Managing the Blind Pig Bar. Read the highlight about the Blind Pig and complete the activities that follow.

You have just been hired as the manager of the Blind Pig, a bar in Cleveland, Ohio.[42] The Blind Pig has a local bar feel with downtown style, has 42 beers on tap, and offers games such as darts, foosball, and Silver Strike Bowling. Also available is a DJ to provide music and encourage dancing. Thursdays are Neighborhood & Industry Appreciation nights with half-priced drinks for those living or working in the area.

Given your five years of managerial experience in a similar bar in Cleveland, you know that managing a bar or club is a high-profile job. You also know that even with 12 employees, as manager you'll sometimes have to do everything from carrying kegs of beer up flights of stairs to handling irate customers. Naturally, as manager, you'll be responsible for the smooth bar operations and bar profitability. You start your new job in two weeks.

To get a head start on managing the Blind Pig, you decide to develop a list of issues within the bar that you'll check upon your arrival. You know that for your list to be useful, it must include issues related to bar planning, organizing, influencing, and controlling. Fill out the following form to indicate issues related to each management function you'll check when you arrive at the Blind Pig.

PLANNING ISSUES TO INSPECT

Example: The type of scheduling system used

1. _____
2. _____
3. _____
4. _____
5. _____

Influencing Issues to Inspect

1. _____
2. _____
3. _____
4. _____
5. _____

Organizing Issues to Inspect

1. _____
2. _____
3. _____
4. _____
5. _____

Controlling Issues to Inspect

1. _____
2. _____
3. _____
4. _____
5. _____

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

_____

_____

_____

_____

Experiential Exercises

1 Assessing Inefficiency at Ryan Homes

Directions. Read the following scenario and then perform the listed activities. Your instructor may want you to perform the activities as an individual or within groups. Follow all of your instructor's directions carefully.

Ryan Homes is a home building company that has been building homes in more than 10 states in the northeastern part of the United States. The company has been in business since 1948 and has built major housing developments in Michigan, Ohio, Pennsylvania, and Virginia.

Your group, the newly established Ryan Homes Efficiency Team, is searching for ways to make your company more efficient. More specifically, you are to focus on making carpenters more efficient workers. In your company, the job of a carpenter is described 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 the creation of frame and infrastructure.*

Your team is to list five possible ways carpenters at Ryan homes might be inefficient. In addition, assuming that each of your possible ways is a reality, suggest a corresponding action(s) the company might take to eliminate this inefficiency.

2 You and Your Career

From the discussion of compensation in this chapter, you might conclude that a person's career progress can be gauged by his or her salary level; that is, the greater your salary, the more successful you are. Do you think a person's salary is a valid measure of career progress? Why? 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 your progress? Why? How would you monitor changes in these factors as your career progresses?

VideoNet Exercise

<div align="center">Management Roles: azTeen Magazine</div>

Video Highlights

azTeen Magazine is a newly created publication in the Arizona market. It is written by teenagers for teenagers. The video features company staff who discuss their managerial roles at *azTeen* and how the four functions of management—planning, organizing, leading, and controlling—are executed in an informal environment.

Discussion Questions

1. Describe the many roles of the *azTeen* management staff as discussed by Deb Rochford, Michelle Burgess, and Veronica Sherbina in the video.

2. What overall characteristics are important to *azTeen Magazine* when hiring teenaged interns?

3. What standards are used at *azTeen Magazine* to measure organizational performance?

Internet Activity

Browse the *azTeen Magazine* website at www.azteenmagazine.com. Roam around the site. Look at the different types of information and articles available to teens who visit the site. Click on the "About Us" and "Contact Us" links. What evidence do you see that emphasizes the company culture discussed by editor-in-chief Michelle Burgess in the video clip? Is the information presented on the Web site consistent with the video clip?

CASES

1 UNIVERSAL OPENS HARRY POTTER THEME PARK

"Universal Opens Harry Potter Theme Park" (p. 3) and its related Challenge Case Summary were written to help you better understand the management concepts contained in this chapter. Answer the following discussion questions about the introductory case to better understand how fundamental management concepts can be applied in a company such as Universal Orlando.

1. Do you think it will be difficult for you to become a successful manager? Explain.

2. What do you think you would like most about being a manager? What would you like least?

3. As the chief executive at Universal Studios, Tom Williams faces the multiple challenges of competing in a highly competitive industry; guiding the fortunes of a newly launched theme park; finding ways to attract visitors; and more. If you were Williams, list and describe five activities that you think you would have to perform as part of this job.

2 MANAGING ZINGERMAN'S COMMUNITY OF BUSINESSES

Read the following case and answer the questions. Studying this case will help you better understand how concepts relating to fundamental management concepts can be applied in a company such as Zingerman's Delicatessen.

   In 1982, when Paul Saginaw and Ari Weinzweig opened Zingerman's Delicatessen in Ann Arbor, their goal was to make the best pastrami sandwich in Michigan—and beyond. "We wanted people to say about other sandwiches, 'This is a great sandwich, but it's not a Zingerman's,'" Saginaw says. By 1992, the deli was a popular Detroit Street destination, drawing crowds of food lovers to its historic brick building near the local farmers market. That year, one of the deli managers helped open Zingerman's Bakehouse to provide the deli with fresh-baked breads and desserts.

   However, even with the new bakery, annual sales were stagnating at the $5 million mark, and Saginaw feared that management complacency would allow competitors to take a bigger bite out of Zingerman's future sales and profits. The cofounders were unsure whether to keep their business small and local or to pursue a growth strategy. Could they move beyond the deli's roots without sacrificing the quality, intense customer focus, employee commitment, and community spirit that had made Zingerman's successful?

   Saginaw and Weinzweig spent two years debating their company's direction. Arguing for change, Saginaw wanted to try new things and expand, possibly by opening delis in other cities. His partner understood the business case for growth but resisted the chain approach because he believed that trying to replicate the original would dilute the deli's uniqueness. The two continued to discuss alternatives and finally settled on a long-term concept they called the Zingerman's Community of Businesses. They envisioned a group of 12 to 15 businesses located in and around Ann Arbor, offering goods and services related to, or in some way supporting, Zingerman's Deli. "The key was having partners who were real owners," Weinzweig notes. "We wanted people who had visions of their own. Otherwise, whatever we did would be mediocre, and the whole idea was to elevate the quality of each element of the company." After the cofounders announced their plan in a letter to all employees, they found that not everyone agreed with the new direction. Faced with major changes to the company's culture, structure, and expectations, 80 percent of Zingerman's managers left during the first 18 months.

   Saginaw and Weinzweig persisted and today, the Zingerman's Community of Businesses rings up more than $20 million annually from proceeds of the deli and bakery plus a mail order/Internet sales unit, a catering unit, a creamery, a restaurant, a mobile sandwich stand, a coffee company, and a training business. After the initial exodus of managers, the firm began

attracting talented managers interested in new challenges. Consider Maggie Bayless, who worked at Zingerman's when the deli first opened. She left to complete an MBA and became a training consultant to corporations, but she wasn't completely satisfied: "I missed feeling that what I did was making a difference."

In 1994, Bayless returned to help Saginaw and Weinzweig start Zingerman's Training (ZingTrain), which shares the founders' management and food-service expertise through seminars and consulting. ZingTrain offers courses such as "3 Steps to Great Service" and "5 Steps to Implementing Change" for internal managers and for outside customers as well. Bayless remains excited about her work because "the more we share, the more we learn." Many ZingTrain customers take one course, go back to their jobs to apply what they learn, and then enroll in another. "Every time I go, I'm reenergized and recharged," comments the training coordinator of Michigan's First National Bank, which distinguishes itself on the basis of personal service.

Zingerman's, which *Inc.* magazine recently declared "The coolest small company in America," has not stopped growing. It currently employs more than 330 people and opens a new business approximately every 18 months. Just as important, Weinzweig and Saginaw are having fun and making money without compromising the principles that made their deli a regular stop for avid pastrami lovers all around Ann Arbor.

QUESTIONS

1. Which of the skills listed in Figure 1.8 did the cofounders apply when they made and implemented the decision to expand into the Zingerman's Community of Businesses?

2. Why was it important for Zingerman's to expand as a way to provide opportunities for employee and managers to develop their careers?

3. On which of the four types of resources do you think Saginaw and Weinzweig rely most heavily when planning a new business? Explain.

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