Chapter 1
THE MANAGER'S JOB [PowerPoint Slide 1]

The purpose of Chapter 1 is to provide an overview of the nature of managerial work. It could be argued that the entire book has a similar purpose. It is therefore necessary to touch upon topics in Chapter 1 that are covered again in later chapters. The chapter provides information on key managerial topics such as (a) the meaning of the term *manager,* (b) an overview of the process of management, (c) a discussion of managerial roles, and (d) a summary of the major developments in the evolution of management thought.

Learning Objectives
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1. Explain what the term *manager* means and identify different types of manager.
2. Describe the process of management, including the functions of management.
3. Describe the various managerial roles.
4. Identify the basic managerial skills and understand how they can be developed.
5. Identify the major developments in the evolution of management thought.

Chapter Outline and Lecture Notes
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Managers play a vital role in society—they pull together resources to get important things accomplished.

I. WHO IS A MANAGER? [PowerPoint Slide 2]

A **manager** is a person responsible for the work performance of group members. He or she has the formal authority to commit organizational resources. **Management** is the process of using organizational resources to achieve organizational objectives through the functions of planning, organizing and staffing, leading, and controlling.

A. Levels of Management [PowerPoint Slide 3]

Managerial jobs are typically divided into three levels:

1. T*op-Level Managers*. **Top-level managers,** or executives, are empowered to make major decisions affecting the present and future of the firm. **C-level manager** is a recent term to describe top-level managers because they usually have chief in their title. About one percent of jobs in organizations are truly executive positions.

    A few of the recent c-level positions often found in large organizations are (a) chief of staff, (b) chief commercial officer, and (c) chief privacy officer.

2. *Middle-Level Managers.* **Middle-level managers** are the layer between top- and first-level managers. Much of their work involves the coordination of work, and the dissemination of information. Middle-management jobs have declined in numbers as many organizations have downsized but they still play a major role in operating an organization.

3. *First-Level Managers.* Managers who supervise operatives are referred to as **first-level managers** or supervisors. Supervisory jobs have been upgraded in many organizations, as a result of reducing the number of layers of management. The current emphasis on productivity and cost control has also upgraded the supervisory role. The vast majority of students taking this course have at one time reported to a first-level manager (supervisor).

II. TYPES OF MANAGERS [PowerPoint Slide 4]

Managerial jobs can be divided into functional and general managers, administrators, entrepreneurs and small-business owners, and team leaders.

A. Functional and General Managers

Functional managers supervise the work of employees engaged in specialized activities, such as accounting and quality control. *General managers* are responsible for the work of several different groups performing a variety of functions. Company presidents and division heads are general managers. Key tasks of general managers include shaping the work environment and crafting a strategic vision.

B. Administrators

An *administrator* is a manager who works in a public or nonprofit organization (including educational institutions) rather than in a business firm. The fact that individual contributors in nonprofit organizations are sometimes referred to as administrators often causes confusion.

C. Entrepreneurs and Small-Business Owners

Entrepreneurs are people who begin a new business based on an innovative idea for a product or service. A **small-business owner** operates a small business that is not necessarily entrepreneurial (innovative). A major characteristic of both entrepreneurs and small-business owners is their passion for their work.

Recent research has identified three roles, or activities, within entrepreneurial work that arouse passion: *opportunity recognition*, *venture creation*, and *venture growth*.

D. Team Leaders

A **team leader** coordinates the work of a small group of people, while acting as a facilitator and catalyst. Team leaders are found at many organizational levels, and are also referred to as project managers, process managers, and task-force leaders.

All of the managerial jobs describe above vary considerably on the demands placed on the job holder, such as some CEO jobs more demanding and stressful than others.

III. THE PROCESS OF MANAGEMENT [PowerPoint Slide 5]

Managerial work can be regarded as a process, a series of actions that brings about a goal. To achieve that objective, the manager uses resources and carries out the four managerial functions.

A. Resources Used by Managers [PowerPoint Slide 6]

Managers use four types of resources:

1. *Human Resources.* Human resources are the employees needed to get the job done.
2. *Financial Resources.* Any money used by the organization is classified as a financial resource.
3. *Physical Resources.* Physical resources are the firm's tangible goods and real estate, including raw materials, office space, production facilities, office equipment, and vehicles.
4. *Information Resources.* Data used to accomplish the job are classified as information resources.

As originally designated by Peter Drucker, managers are knowledge workers and therefore rely heavily on information resources. Managers must convert data into information which is not an easy task.

B. **The Four Managerial Functions [PowerPoint Slide 7]**
The classical, or standard, functions of management remain a useful way of understanding management.
1. *Planning*. Planning involves setting goals and figuring out ways of reaching them. Planning is the central function of management.
2. *Organizing and Staffing.* Organizing is the process of making sure the necessary human and physical resources are available to carry out a plan and achieve organizational goals. Staffing involves ensuring there are the necessary human resources to achieve organizational goals. Hiring is a typical staffing activity. (Organizing and staff is now often referred to as *talent management*.)
3. *Leading*. Leading is the managerial function of influencing others to achieve organizational objectives. Leadership is the interpersonal aspect of management. According to Henry Mintzberg, effective leaders develop the sense of community or shared purpose that is essential for cooperative effort in all organizations. Leaders also execute.
4. *Controlling*. Controlling is the managerial function of ensuring that performance conforms to plans. Controlling involves comparing actual performance to a predetermined standard. Computerized controls are widely used.

Managerial level influences how much time managers spend on the four managerial functions. Executives spend more time on strategic (high-level and long-range) planning than do middle- or first-level managers. First-level managers spend the most time in face-to-face leadership of employees.

IV. **THE SEVENTEEN MANAGERIAL ROLES [PowerPoint Slides 8, 9]**
A **role** is an expected set of activities or behaviors stemming from one's job. Roles are another important way of understanding managerial work.

A. **Planning**
The two planning roles are *strategic* (long-range and high-level) *planner* and *operational* (day-by-day) *planner.*

B. **Organizing and Staffing**
Five roles fit the organizing function: *organizer, liaison, staffing coordinator, resource allocator,* and *task delegator.* Talent management is included in the organizing and staffing roles.

C. Leading
Eight roles are part of the leadership function: *motivator and coach, figurehead, spokesperson, negotiator, team builder, team player, technical problem solver,* and *entrepreneur.*

D. Controlling
The *monitoring* role is virtually identical to controlling. The *disturbance handler* role can also be classified as a controlling role because it brings disruptions back in line.

E. Managerial Roles Currently Emphasized [PowerPoint Slide 10]
Managerial work has shifted substantially away from the controller and director role to that of coach, facilitator, and supporter. Many managers today work as partners with team members to jointly achieve results.

F. The Influence of Management Level on Managerial Roles [PowerPoint Slide 11]
A manager's level of responsibility influences which roles he or she is likely to engage in most frequently. For example, the most important roles for top-level managers are liaison, spokesperson, figurehead, and strategic planner.

G. Management as a Practice [PowerPoint Slides 12, 13]
Management is more of a practice, than a science or profession. Managers sometimes make use of systematic knowledge, yet they also rely on the intuition that stems from experience. Management is not a profession in the sense of being a licensed occupation such as law, medicine, or electrician. Another point of view is that to gain public trust, management needs to become a profession that follows an ethical code.

Management could become more professionalized with the use of **evidence-based management**, the systematic use of the best available evidence to improve managerial practice. To use this approach, managers would rely on both scientific evidence as well as local business evidence.

V.   THE FIVE MANAGERIAL SKILLS [PowerPoint Slides 14, 15]
To be effective, managers need to possess technical, interpersonal, conceptual, diagnostic, and political skills.

A. Technical Skill
Technical skill involves an understanding of and proficiency in a specific activity that involves methods, processes, procedures, or techniques. Budget preparation is an example of a technical skill.

B. Interpersonal Skill
Interpersonal (or human relations) skill is the manager's ability to work effectively as a team member and to build cooperative effort in the unit. Communication skills are an example of an important interpersonal skill. An important subset of interpersonal skills for managers is **multiculturalism,** or the ability to work effectively and conduct business with people from different cultures. Many managers at all levels ultimately fail because their interpersonal skills are not good enough for the demands of the job.

C. **Conceptual Skill**
    Conceptual skill is the ability to see the organization as a total entity (the "big picture").
    Strategic planning requires conceptual skill. The need for conceptual skill continues to
    grow.

D. **Diagnostic Skill**
    Diagnostic skill involves investigating a problem and then choosing a course of action to
    solve it.

E. **Political Skill**
    Political skill is the ability to acquire the power necessary to reach objectives. Managers
    high in political skill possess a keens sense of astuteness and understanding of people.
    Negotiating and forming alliances are examples of political skills. Political skill should
    be regarded as a supplement to job competence and other basic skills.

VI. **DEVELOPMENT OF MANAGERIAL SKILLS [PowerPoint Slides 16, 17]**
    Experience and education—including formal training—are both important for the
    development of management skills. You can learn managerial concepts from a book, or
    lecture, and then apply them using the general learning model: (1) conceptual
    information and behavioral guidelines, (2) conceptual information demonstrated by
    examples, (3) skill-development exercises, (4) feedback on skill utilization, or
    performance, from others, and (5) frequent practice of what you have learned, including
    making adjustments from feedback.

    We emphasize again that experience is important for the development of management
    skills. Yet experience is likely to be more valuable if it is enhanced with education.

VII. **THE EVOLUTION OF MANAGEMENT THOUGHT**
    Management as a practice has an almost unlimited history. As a formal study,
    management began in the 1700s as part of the Industrial Revolution.

A. **The Classical Approach to Management [PowerPoint Slide 18]**
    The classical approach to management encompasses scientific management and
    administrative management. The focus of **scientific management** was on the
    application of scientific methods to increase individual workers' productivity.

    Administrative management was concerned primarily with how organizations
    should be managed and structured. One of the key contributions of the classical
    school has been to study management from the framework of planning, organizing,
    leading, and controlling. Alfred D. Chandler J., the Harvard University business
    historian, was a key figure in promoting the importance of the classical approach to
    management. His famous thesis is that a firm's structure is determined or chosen by
    its strategy; other wise the firm becomes inefficient.

B. **The Behavioral Approach [PowerPoint Slide 19]**
    The **behavioral approach** to management emphasizes improving management
    through the psychological makeup of people. The theme of the behavioral (or human
    resources) approach is to focus on understanding people. Three direct cornerstones of

the human resources approach are the Hawthorne studies, Theory X and Theory Y, and Maslow's need hierarchy.

1. *The Hawthorne Studies.* Workers in the Hawthorne experiments reacted positively because management cared about them. The **Hawthorne effect** is the tendency of people to behave differently when they receive attention because they respond to the demands of the situation.

2. *Theory X and Theory Y of Douglas McGregor* **[PowerPoint Slide 20]** Theory X is a set of traditional assumptions about people. Managers who hold these assumptions are pessimistic about workers' capabilities.They believe that workers dislike work, seek to avoid responsibility, are not ambitious, and must be supervised closely. Theory Y is an alternative and optimistic set of assumptions.

3. *Maslow's need Hierarchy* **[PowerPoint Slide 21]** Maslow suggested that humans are motivated by efforts to satisfy a hierarchy of needs, ranging from basic needs to those for self-actualization, or reaching one's potential. The need hierarchy prompted managers to think about ways of satisfying a wide range of worker needs to keep them motivated.

C. **Quantitative Approaches to Management [PowerPoint Slide 22]**
The **quantitative approach to management** is a group of methods to managerial decision making that is based on the scientific method. Frequently used quantitative tools and techniques of the quantitative approach include statistics, linear programming, network analysis, decision trees, and computer simulations. Frederick Taylor's work provided the foundation for the quantitative approach to management. However, operations research stemming from World War II is the true beginning of quantitative approaches to management.

D. **The Systems Perspective [PowerPoint Slide 23]**
The **systems perspective** is a way of viewing problems more than a specific approach to management. It is based on the concept that an organization is a system, or an entity of interrelated parts. If you adjust one part of the system, other parts will be affected automatically. From a systems viewpoint, the organization also interacts with the outside world, transforming inputs (such as money and material) into outputs (such as products and services). Two other systems concepts are important. **Entropy** is the tendency of a system to run down and die if it does not receive fresh inputs from its environment. **Synergy** means that the whole is greater than the sum of its parts.

E. **The Contingency Approach [PowerPoint Slide 24]**
The **contingency approach of management** emphasizes that there is no one best way to manage people or work. A method that leads to high productivity or morale in one situation may not achieve the same results in another. The contingency approach is derived from the study of leadership and organization structures. Common sense also contributes heavily to the contingency approach.

F. **The Information Technology Era and Beyond [PowerPoint Slide 25]**
The information technology era began in the 1950s with data processing. By the late

1980s, the impact of information technology and the Internet began to influence how managers manage work and people. Two economists report that the impact of the Internet on business is similar to the impact of electricity at the beginning of the 20th century.

The history of management is being written each year in the sense that the practice of management continues to evolve. An example of a leading-edge approach to management is evidence-based management whereby managers translate principles based on best evidence into management practices (as described above).